

Standard Chartered PLC

1Q'21 Results

29 April 2021

Registered in England under company No. 966425
Registered Office: 1 Basinghall Avenue, London, EC2V 5DD, UK

Standard Chartered PLC – first quarter 2021 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.

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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.

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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. Asia includes Australia, Bangladesh, Brunei, Cambodia, Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Macau, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam; Africa & Middle East (AME) includes Angola, Bahrain, Botswana, Cameroon, Cote d'Ivoire, Egypt, The Gambia, Ghana, Iraq, Jordan, Kenya, Lebanon, Mauritius, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Sierra Leone, South Africa, Tanzania, the United Arab Emirates (UAE), Uganda, Zambia and Zimbabwe; and Europe & Americas (EA) includes Argentina, Brazil, Colombia, Falkland Islands, France, Germany, Ireland, Jersey, Poland, Sweden, Turkey, the UK and the US.

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 – first quarter 2021 results

All figures are presented on an underlying basis and comparisons are made to 2020 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on pages 24-29.

Bill Winters, Group Chief Executive, said:

“Our first quarter performance was strong. Economic recovery advanced in many of our markets leading to improved transaction volumes and profitability. This was particularly the case in our Financial Markets and in Wealth Management, which had its best ever quarter. Our areas of strategic focus including efforts to lead with a differentiated sustainability offering are growing well. Despite low interest rates, we expect our underlying momentum to lead to income growth in the second half of 2021.”

Update on strategic priorities

- **Network:** continued growth in digitally initiated transactions, up 3%pts in 1Q'21 to 44%
- **Affluent:** added over 400,000 new clients in the last 12 months, with two-thirds migrating from Mass Retail
- **Mass Retail:** Mox client base in Hong Kong increased 50% year-to-date to 100,000 clients
- **Sustainability:** launched market-first sustainable trade finance proposition

Selected information concerning 1Q'21 financial performance

- **Income** 9% lower at \$3.9bn, down 3% at constant currency (ccy) and excluding a \$305m reduction in DVA
 - **Net interest margin** (NIM) has broadly stabilised at 122bps, down 2bps QoQ but flat excluding 4Q'20 one-off interest credit
 - Other income grew 4% excluding DVA
 - Wealth Management, Financial Markets and balance sheet growth nearly offset \$380m NII headwind from 30bps YoY drop in NIM
- **Expenses** increased 6% to \$2.5bn; up 4% at ccy
 - Mainly impact of performance-related pay normalisation, with underlying efficiencies funding higher investment
- **Credit impairment** of \$20m, down \$936m YoY; down \$354m QoQ
 - Stage 1 and 2: \$35m net release, includes \$14m overlay release. Total Stage 1 and 2 overlay now \$339m
 - Stage 3: \$55m down \$450m YoY and \$269m QoQ with no significant new exposures in 1Q'21
 - High-risk assets: reduced for the third consecutive quarter in 1Q'21, down \$1.1bn in the quarter and broadly stable YoY
- **Underlying profit before tax** up 18% to \$1.4bn; lower impairments and business momentum more than offset impact of lower NIM
 - Statutory profit before tax up 59% to \$1.4bn; 1Q'20 included \$258m goodwill impairment
 - Return on tangible equity up 220bps to 10.8%
- **Tax** charge of \$314m: underlying effective tax rate of 22%, down 8%pts due to change in geographic mix and higher profits
- The Group's **balance sheet** continues to grow and remains strong, liquid and well diversified
 - Customer loans and advances up 4% or \$10bn since 31.12.20; customer accounts up 1%
 - Advances-to-deposit ratio 62.7% (31.12.20: 61.1%); liquidity coverage ratio 150% (31.12.20: 143%)
- **Risk-weighted assets** (RWA) of \$277bn up \$7.8bn since 31.12.20
 - \$6bn credit RWA growth: asset growth partly offset by asset mix, FX and optimisation actions. Market risk RWA up \$1bn
- The Group remains strongly capitalised and highly liquid
 - **Common equity tier 1 ratio** 14.0% at the top of the 13-14% target range (31.12.20: 14.4%)
 - Profit accretion 40bps offset by 50bps reduction from RWA growth, 10bps reduction from \$255m share buy-back and interim ordinary dividend accrual
- **Earnings per share** increased 8.1 cents or 32% to 33.5 cents

Outlook

We believe that some of our larger markets will continue to drive the global economy out of recession over the coming quarters. While the scale of the US fiscal stimulus and speed of vaccine roll-out have significantly lifted global economic prospects, we still expect the recovery to be volatile and uneven.

This positive backdrop reinforces our confidence in our previous guidance for FY'21, in particular:

- With the net interest margin having broadly stabilised, we expect income to start growing again in 2H'21 compared to 2H'20. Income is expected to be similar in FY'21 to that achieved in FY'20 at constant currency and to return to our medium-term guidance of 5-7% growth from FY'22
- We still expect FY'21 expenses to increase slightly compared to FY'20, as we continue to invest in our digital capabilities, but should remain below \$10 billion at constant currency
- We now expect impairment charges to reduce significantly year-on-year in FY'21 with the loan loss rate likely to be in or below our 35-40 basis point medium-term guidance range

Statement of results

	1Q'21 \$million	1Q'20 \$million	Change ¹ %
Underlying performance			
Operating income	3,929	4,327	(9)
Operating expenses	(2,494)	(2,358)	(6)
Credit impairment	(20)	(956)	98
Other impairment	(16)	154	(110)
Profit from associates and joint ventures	47	55	(15)
Profit before taxation	1,446	1,222	18
Profit/(loss) attributable to ordinary shareholders ²	1,053	810	30
Return on ordinary shareholders' tangible equity (%)	10.8	8.6	220bps
Cost to income ratio (%)	63.5	54.5	(900)bps
Statutory performance			
Operating income	3,939	4,335	(9)
Operating expenses	(2,528)	(2,368)	(7)
Credit impairment	(17)	(962)	98
Goodwill impairment	-	(258)	100
Other impairment	(28)	92	(130)
Profit from associates and joint ventures	47	47	-
Profit before taxation	1,413	886	59
Taxation	(314)	(369)	15
Profit for the period	1,099	517	113
Profit/(loss) attributable to parent company shareholders	1,092	510	114
Profit/(loss) attributable to ordinary shareholders ²	1,027	477	115
Return on ordinary shareholders' tangible equity (%)	10.6	5.1	550bps
Cost to income ratio (%)	64.2	54.6	(960)bps
Balance sheet and capital			
Total assets	804,903	764,916	5
Total equity	52,275	50,004	5
Average tangible equity attributable to ordinary shareholders ²	39,464	37,927	4
Loans and advances to customers	292,084	271,234	8
Customer accounts	441,684	422,192	5
Risk weighted assets	276,670	272,653	1
Total capital	58,531	53,458	9
Total capital (%)	21.2	19.6	160bps
Common Equity Tier 1	38,711	36,467	6
Common Equity Tier 1 ratio (%)	14.0	13.4	60bps
Net Interest Margin (%) (adjusted)	1.22	1.52	(30)bps
Advances-to-deposits ratio (%) ³	62.7	61.9	0.8
Liquidity coverage ratio (%)	150	142	8
UK leverage ratio (%)	5.1	4.9	20bps
Information per ordinary share	Cents	Cents	Cents
Earnings per share – underlying ⁴	33.5	25.4	8.1
– statutory ⁴	32.6	15.0	17.7
Net asset value per share ⁵	1,433	1,357	76
Tangible net asset value per share ⁵	1,270	1,201	69
Number of ordinary shares at period end (millions)	3,118	3,147	(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 strong performance in the first quarter of 2021

Summary of financial performance

	1Q'21 \$million	1Q'20 \$million	Change %	Constant currency change ¹ %	4Q'20 \$million	Change %	Constant currency change ¹ %
Net interest income	1,662	1,842	(10)	(11)	1,760	(6)	(7)
Other income	2,267	2,485	(9)	(9)	1,439	58	57
Underlying operating income	3,929	4,327	(9)	(10)	3,199	23	22
Other operating expenses	(2,494)	(2,358)	(6)	(4)	(2,618)	5	6
UK bank levy	-	-	nm ³	nm ³	(331)	100	100
Underlying operating expenses	(2,494)	(2,358)	(6)	(4)	(2,949)	15	16
Underlying operating profit before impairment and taxation	1,435	1,969	(27)	(27)	250	nm³	nm³
Credit impairment	(20)	(956)	98	98	(374)	95	95
Other impairment	(16)	154	(110)	(110)	(82)	80	80
Profit from associates and joint ventures	47	55	(15)	(15)	14	nm ³	nm ³
Underlying profit/(loss) before taxation	1,446	1,222	18	19	(192)	nm³	nm³
Restructuring	(33)	(92)	64	65	(248)	87	87
Goodwill impairment	-	(258)	100	100	-	nm ³	nm ³
Other items	-	14	(100)	(100)	(9)	100	100
Statutory profit/(loss) before taxation	1,413	886	59	61	(449)	nm³	nm³
Taxation	(314)	(369)	15	15	(27)	nm ³	nm ³
Profit/(loss) for the period	1,099	517	113	116	(476)	nm³	nm³
Net interest margin (%) ²	1.22	1.52	(30)		1.24	(2)	
Underlying return on tangible equity (%) ²	10.8	8.6	220		(4.3)	1,510	
Underlying earnings per share (cents)	33.5	25.4	32		(13.5)	nm ³	
Statutory return on tangible equity (%) ²	10.6	5.1	550		(6.2)	1,680	
Statutory earnings per share (cents)	32.6	15.0	117		(19.4)	nm ³	

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

3 Not meaningful

The Group delivered a strong performance in the first quarter of 2021 with underlying profit before tax improving 18 per cent. Positive business momentum, very low credit impairment charges and operating cost efficiencies more than offset the impact of lower interest rates, a \$305 million reduction in the debit valuation adjustment (DVA) and increased investment. Income declined 3 per cent excluding DVA and on a constant currency basis, with a record performance in Wealth Management as well as 4 per cent growth in Loans and Advances to Customers in the quarter nearly offsetting the impact of a 30 basis point decline in net interest margin. Expenses increased 4 per cent at constant currency mainly due to the normalisation of performance-related pay accruals, with underlying cost efficiencies funding an increase in investments. Credit impairment charges were exceptionally low reflecting the improving economic backdrop. The Group remains well capitalised and highly liquid with a CET1 ratio of 14.0 per cent – at the top end of the 13 to 14 per cent target range – an advances-to-deposits ratio of 62.7 per cent and a liquidity coverage ratio of 150 per cent.

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2020 on a reported currency basis, unless otherwise stated.

- **Operating income** declined 9 per cent and was down 3 per cent on a constant currency basis and excluding a \$305 million reduction in DVA. The impact of lower interest rates was partially offset by balance sheet growth and strong performances in Wealth Management and Financial Markets, excluding the reduction in DVA
- **Net interest income** decreased 10 per cent with a 9 per cent increase in average interest earning assets more than offset by a 20 per cent (30 basis points) decline in net interest margin
- **Other income** decreased 9 per cent, but was up 4 per cent excluding the negative impact of movements in DVA, with a particularly strong performance in Wealth Management partially offset by lower Treasury realisation gains
- **Operating expenses** were up 6 per cent and up 4 per cent on a constant currency basis, with performance-related pay accruals normalising and increased investment into transformational digital initiatives. The cost-to-income ratio excluding DVA increased 5 percentage points to 63 per cent, due to the impact of the significantly lower interest rate environment on net interest income

Group Chief Financial Officer's review continued

- **Credit impairment** declined by \$936 million to \$20 million. There was a \$35 million release in Stage 1 and 2 impairments reflecting the impact of improvements in the macroeconomic variables incorporated into expected credit loss models, additional collateral received on a few credit grade 12 clients and a \$14 million release of the judgemental management overlay relating to stage 1 and 2 loans. Impairments of Stage 3 assets of \$55 million were down \$450m, with no significant new exposures in the quarter
- **Other impairment** increased by \$170 million with the non-repeat of a \$165 million release in 1Q'20 and a \$16 million charge in the quarter primarily in relation to the aviation lease portfolio
- **Profit from associates and joint ventures** was down 15 per cent to \$47 million primarily reflecting the reduction in the Group's shareholding in China Bohai Bank from 19.99 per cent in 1Q'20 to 16.26 per cent
- Charges relating to **restructuring, goodwill impairment and other items** decreased \$303 million to \$33 million, with lower restructuring costs and a non-repeat of \$258 million goodwill impairment primarily in India booked in 1Q'20
- **Taxation** was \$314 million on a statutory basis, with an underlying year-to-date effective tax rate of 22 per cent down from the prior year rate of 30 per cent reflecting a change in the geographic mix of profits and higher profits diluting the impact of non-deductible costs and withholding tax
- **Underlying return on tangible equity** increased by 220 basis points to 10.8 per cent due to higher profits partly offset by increased tangible equity reflecting profit accretion and the impact of favourable FX movements on the translation reserve

Operating income by product

	1Q'21 \$million	1Q'20 \$million	Change %	Constant currency change ¹ %	4Q'20 \$million	Change %	Constant currency change ¹ %
Transaction Banking	643	800	(20)	(20)	652	(1)	(2)
Trade	277	260	7	7	249	11	11
Cash Management	366	540	(32)	(33)	403	(9)	(10)
Financial Markets ²	1,325	1,546	(14)	(16)	963	38	36
Macro Trading ^{3,4}	677	831	(19)	(20)	441	54	53
Credit Markets ^{3,4}	441	267	65	65	414	7	6
Credit Trading	131	(25)	nm ⁵	nm ⁵	119	10	10
Financing Solutions & Issuance	310	292	6	6	295	5	4
Structured Finance	99	92	8	6	101	(2)	(2)
Financing & Security Services ³	108	51	112	104	76	42	32
DVA	-	305	(100)	(100)	(69)	100	100
Lending & Portfolio Management ²	233	205	14	13	218	7	6
Wealth Management	641	530	21	20	436	47	46
Retail Products	849	946	(10)	(12)	848	-	(1)
CCPL & other unsecured lending	320	304	5	3	303	6	5
Deposits	233	472	(51)	(51)	271	(14)	(15)
Mortgage & Auto	247	136	82	75	234	6	4
Other Retail Products	49	34	44	39	40	23	25
Treasury	257	325	(21)	(21)	92	179	176
Other	(19)	(25)	24	32	(10)	(90)	(70)
Total underlying operating income	3,929	4,327	(9)	(10)	3,199	23	22

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 Following a reorganisation, there has been a reclassification of balances relating to Corporate Finance, Financial Markets and Lending & Portfolio Management including prior period numbers. There is no change in the total income

3 1Q'20 published results included \$0.5 million (4Q'20: \$1 million) of income within Foreign Exchange; \$6 million (4Q'20: \$6 million) within Rates; \$(3) million (4Q'20: \$1 million) within Commodities and \$(1) million (4Q'20: \$(1) million) within Global Credit now reported in Financing and Security Services

4 1Q'20 published results included \$3 million (4Q'20: \$3 million) of income in Commodities now reported in Credit Markets

5 Not meaningful

Reflecting the updated organisational structure that came into effect on 1 January 2021, the Group's Financial Markets business has been expanded and reorganised, with the Group integrating the majority of its Corporate Finance business within Financial Markets. The remaining elements of the Group's Corporate Finance business - primarily M&A Advisory - have been transferred into Lending & Portfolio Management.

Group Chief Financial Officer's review continued

Transaction Banking income was down 20 per cent. Cash Management declined 32 per cent as double-digit volume growth and increased fee income was more than offset by significant margin compression due to the lower interest rate environment. Trade increased 7 per cent due to double-digit growth in balances and increased margins benefiting from improved mix with a switch from financial institutions trade loans into corporate trade loans.

Financial Markets income declined 14 per cent but was up 7 per cent excluding the reduction in DVA. Credit Trading was up strongly compared to a \$25 million loss in 1Q'20 which was due to mark-to-market movements resulting from the elevated levels of market volatility at that time. There was high single-digit growth in Structured Finance and Financing Solutions & Issuance, while positive movements in XVA resulted in a doubling of Financing & Security Services income. Macro Trading declined 19 per cent from lower FX and Rates income due to reduced client demand and lower trading gains compared to the exceptional volatility experienced in 1Q'20. This was partly offset by strong double-digit growth in Commodities which benefited from higher commodity prices.

Lending and Portfolio Management income was up 14 per cent with increased fee income, improved margins and balance sheet growth.

Wealth Management recorded a record quarter, with income up 21 per cent. There was a particularly strong sales performance in FX, equities and structured notes, supplemented by clients increasingly using digital channels, driving income excluding bancassurance up 28 per cent. Bancassurance income, which is currently around a quarter of total Wealth Management income, grew 3 per cent, despite sales being negatively impacted by reduced branch footfall due to COVID-19.

Retail Products income reduced 10 per cent on a reported basis and was down 12 per cent on a constant currency basis. Deposits income declined 51 per cent as margin compression more than offset increased volumes. Balance sheet growth and increased margins benefiting from lower funding led to 82 per cent growth across Mortgages & Auto and a 44 per cent increase in Other Retail Products. Credit Cards & Personal Loans income increased 5 per cent with increased personal loan volumes and improved margins partly offset by lower credit card spend.

Treasury income declined 21 per cent to \$257 million, primarily from a \$94 million reduction in realisation gains to \$104 million, partly offset by a non-repeat of prior period negative movements in hedge ineffectiveness.

Profit before tax by client segment and geographic region

	1Q'21 \$million	1Q'20 \$million	Change %	Constant currency change ¹ %	4Q'20 \$million	Change %	Constant currency change ¹ %
Corporate, Commercial & Institutional Banking ²	904	758	19	18	197	nm ³	nm ³
Consumer, Private & Business Banking ²	460	270	70	73	(7)	nm ³	nm ³
Central & other items (segment)	82	194	(58)	(55)	(382)	121	121
Underlying profit/(loss) before taxation	1,446	1,222	18	19	(192)	nm³	nm³
Asia ²	1,234	1,017	21	20	403	nm ³	nm ³
Africa & Middle East	190	47	nm ³	nm ³	(88)	nm ³	nm ³
Europe & Americas	233	101	131	136	(7)	nm ³	nm ³
Central & other items (region)	(211)	57	nm ³	nm ³	(500)	58	58
Underlying profit/(loss) before taxation	1,446	1,222	18	19	(192)	nm³	nm³

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 Following a reorganisation, there has been an integration of segments and regions (Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking; Greater China & North Asia and ASEAN & South Asia to Asia) including prior period numbers

³ Not meaningful

Reflecting the updated organisational structure that came into effect on 1 January 2021, this is the first reporting period in which the Group is reporting on its new structure. The new structure results in the creation of two new client segments; Corporate, Commercial & Institutional Banking serving larger companies and institutions and Consumer, Private & Business Banking serving individual and business banking clients. From a regional perspective, Greater China & North Asia and ASEAN & South Asia have been combined to form a single Asia region.

Corporate, Commercial & Institutional Banking profit increased 19 per cent, due to lower impairments, and doubled excluding the reduction in DVA. Income declined 2 per cent excluding DVA, with a 7 per cent increase in Financial Markets more than offset by a 32 per cent reduction in Cash Management due to lower interest rates.

Group Chief Financial Officer's review continued

Consumer, Private & Business Banking profit increased 70 per cent with lower impairments and lower expenses. Income increased 1 per cent, flat on a constant currency basis, as strong double-digit increases in Wealth Management and Mortgage & Auto income more than offset the impact of lower interest rates on Retail Deposits.

Central & other items (segment) profit more than halved to \$82 million with income down 21 per cent reflecting lower realisation gains within Treasury.

Asia profits increased 21 per cent as lower credit impairments more than offset a 5 per cent reduction in income and a non-repeat of a \$165 million other impairment recovery in 1Q'20.

Africa & Middle East profits increased four-fold due to a \$204 million reduction in impairments. Income was down 11 per cent, or 8 per cent on a constant currency basis while costs increased 1 per cent on a constant currency basis.

Europe & Americas income increased 1 per cent, or 42 per cent excluding a reduction in DVA, which along with \$149 million lower impairments resulted in profits more than doubling.

Central & other items (region) recorded a loss of \$211 million with income declining \$175 million due to lower returns paid to Treasury on the equity provided to the regions in a lower interest rate environment and increased expenses reflecting a normalisation of performance-related pay accruals.

Adjusted net interest income and margin

	1Q'21 \$million	1Q'20 \$million	Change ¹ %	4Q'20 \$million	Change ¹ %
Adjusted net interest income ²	1,670	1,931	(14)	1,676	-
Average interest-earning assets	556,331	510,672	9	538,637	3
Average interest-bearing liabilities	509,625	464,549	10	490,778	4
Gross yield (%) ³	1.85	2.95	(110)	1.99	(14)
Rate paid (%) ³	0.69	1.57	(88)	0.82	(13)
Net yield (%) ³	1.16	1.38	(22)	1.17	(1)
Net interest margin (%) ^{3,4}	1.22	1.52	(30)	1.24	(2)

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

2 Adjusted net interest income is statutory net interest income less funding costs for the trading book and financial guarantee fees on interest earning assets

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

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

Adjusted net interest income was down 14 per cent driven by a 20 per cent reduction in net interest margin to 122 basis points, falling 30 basis points year-on-year and 2 basis points compared to 4Q'20. On an underlying basis, excluding the impact of the one-off Korea interest credit in 4Q'20, the net interest margin was flat quarter-on-quarter:

- Average interest-earning assets increased 3 per cent in the quarter, driven by increased balances in Treasury Markets, Mortgages and Trade. Gross yields declined 14 basis points compared with the average in the prior quarter due to an asset mix and the impact of lower interest rates on both the returns earned on the Treasury Markets portfolio and yields on loans and advances to customers
- Average interest-bearing liabilities increased 4 per cent in the quarter. The deposit mix continued to improve with a reduction in Retail Products time deposits and growth in individual current accounts and corporate operating accounts. The rate paid on liabilities decreased 13 basis points compared with the average in the prior quarter reflecting interest rate movements, repricing initiatives and the improvement in the liability mix

Group Chief Financial Officer's review continued

Credit risk summary

Income Statement

	1Q'21 \$million	1Q'20 \$million	Change ¹ %	4Q'20 \$million	Change ¹ %
Total credit impairment	20	956	(98)	374	(95)
Of which stage 1 and 2	(35)	451	(108)	50	(170)
Of which stage 3	55	505	(89)	324	(83)

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

Balance sheet

	31.03.21 \$million	31.12.20 \$million	Change ¹ %	31.03.20 \$million	Change ¹ %
Gross loans and advances to customers²	298,297	288,312	3	277,444	8
Of which stage 1	270,367	256,437	5	247,696	9
Of which stage 2	19,212	22,661	(15)	21,979	(13)
Of which stage 3	8,718	9,214	(5)	7,769	12
Expected credit loss provisions	(6,213)	(6,613)	(6)	(6,210)	-
Of which stage 1	(486)	(534)	(9)	(416)	17
Of which stage 2	(683)	(738)	(7)	(713)	(4)
Of which stage 3	(5,044)	(5,341)	(6)	(5,081)	(1)
Net loans and advances to customers	292,084	281,699	4	271,234	8
Of which stage 1	269,881	255,903	5	247,280	9
Of which stage 2	18,529	21,923	(15)	21,266	(13)
Of which stage 3	3,674	3,873	(5)	2,688	37
Cover ratio of stage 3 before/after collateral (%) ³	58 / 77	58 / 76	0 / 1	65 / 85	(7) / (12)
Credit grade 12 accounts (\$million)	2,197	2,164	2	1,453	51
Early alerts (\$million)	9,779	10,692	(9)	11,461	(15)
Investment grade corporate exposures (%) ³	62	62	-	62	-

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

² Includes reverse repurchase agreements and other similar secured lending held at amortised cost of \$3,197 million at 31 March 2021, \$2,919 million at 31 December 2020 and \$2,903 million at 31 March 2020

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

Asset quality remained resilient and stable in the first quarter, although the Group continues to remain alert to the continued impact of COVID-19 and the likelihood of uneven economic recovery across markets and industries.

Credit impairment was a \$20 million charge in the quarter, with a \$35 million release in stage 1 and 2 impairment and a \$55 million charge relating to stage 3 impairment.

The \$35 million release in stage 1 and 2 impairment reflects an improvement in the macroeconomic environment, additional collateral received relating to a few credit grade 12 clients and a \$14 million release of the judgemental stage 1 and 2 management overlay. The management overlay is \$339 million as at 31 March 2021.

Stage 3 impairments of \$55 million primarily relate to higher charge-offs within Consumer, Private & Business Banking in India and Malaysia after the payment moratoria relief scheme ended with no significant new exposures within Corporate, Commercial & Institutional Banking in the quarter.

Gross stage 3 loans and advances to customers of \$8.7 billion were 5 per cent lower compared to 31 December 2020 primarily due to repayments and write-offs more than offsetting new inflows, which were 76 per cent lower in Corporate, Commercial & Institutional Banking compared to the previous quarter. These credit-impaired loans represented 2.9 per cent of gross loans and advances, a decrease of 27 basis points compared to 31 December 2020.

Group Chief Financial Officer's review continued

The Stage 3 cover ratio of 58 per cent was stable compared with the position as at 31 December 2020, and the cover ratio post collateral at 77 per cent increased by a percentage point from additional collateral within Consumer, Private & Business Banking.

Credit grade 12 balances have increased 2 per cent since 31 December 2020 primarily from new inflows from Early Alert accounts.

Early Alert accounts of \$9.8 billion have reduced by \$0.9 billion since 31 December 2020, reflecting the net impact of downgrades into credit grade 12 and regularisations of accounts back into non-high risk categories. 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, however rising commodity prices have eased credit pressure for certain sectors.

The proportion of investment grade corporate exposures has remained stable since 31 December 2020 at 62 per cent.

Restructuring, goodwill impairment and other items

	1Q'21			1Q'20			4Q'20		
	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million
Operating income	10	-	-	8	-	-	(41)	-	(9)
Operating expenses	(34)	-	-	(24)	-	14	(168)	-	-
Credit impairment	3	-	-	(6)	-	-	(17)	-	-
Other impairment	(12)	-	-	(62)	(258)	-	(18)	-	-
Profit from associates and joint ventures	-	-	-	(8)	-	-	(4)	-	-
Profit/(loss) before taxation	(33)	-	-	(92)	(258)	14	(248)	-	(9)

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.

Restructuring charges of \$33 million primarily relate to redundancies and impairments on property as the Group adapts to new ways of working post-pandemic.

Balance sheet and liquidity

	31.03.21 \$million	31.12.20 \$million	Change %	31.03.20 \$million	Change ¹ %
Assets					
Loans and advances to banks	48,016	44,347	8	61,323	(22)
Loans and advances to customers	292,084	281,699	4	271,234	8
Other assets	464,803	463,004	-	432,359	8
Total assets	804,903	789,050	2	764,916	5
Liabilities					
Deposits by banks	30,521	30,255	1	25,519	20
Customer accounts	441,684	439,339	1	422,192	5
Other liabilities	280,423	268,727	4	267,201	5
Total liabilities	752,628	738,321	2	714,912	5
Equity	52,275	50,729	3	50,004	5
Total equity and liabilities	804,903	789,050	2	764,916	5
Advances-to-deposits ratio (%) ²	62.7%	61.1%		61.9%	
Liquidity coverage ratio (%)	150%	143%		142%	

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

² The Group now excludes \$15,996 million held with central banks (31.12.20: \$14,296 million, 31.03.20: \$9,947 million) that has been confirmed as repayable at the point of stress

Group Chief Financial Officer's review continued

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

- **Loans and advances to customers** increased 4 per cent since 31 December 2020 to \$292 billion despite the impact of adverse foreign exchange movements. Buoyant corporate activity led to growth in Financing Solutions & Issuance within Financial Markets, Corporate Lending - which in part benefited from a \$2 billion temporary increase in balances relating to upcoming initial public offerings - and Trade. Retail Mortgage balances grew for the fourth successive quarter
- **Customer accounts** of \$442 billion increased 1 per cent since 31 December 2020 with an increase in corporate operating account balances partly offset by lower retail deposits
- **Other assets** were stable in the first quarter of 2021 with increased balances at central banks and investment securities offset by a reduction in derivative balances. **Other liabilities** increased 4 per cent from increased repurchase agreements and issued debt securities partly offset by reduced derivative liabilities

The **advances-to-deposits ratio** increased to 62.7 per cent from 61.1 per cent at 31 December 2020 reflecting the growth in loans and advances to customers from client demand and supportive market conditions. The point-in-time **liquidity coverage ratio** increased 7 percentage points to 150 per cent as a reduction in net outflows more than offset a reduction in high quality liquid assets in the period, in part reflecting improvements in the deposit mix, and remains well above the minimum regulatory requirement of 100 per cent.

Risk-weighted assets

	31.03.21 \$million	31.12.20 \$million	Change ¹ %	31.03.20 \$million	Change ¹ %
By risk type					
Credit risk	226,789	220,441	3	223,003	2
Operational risk	27,116	26,800	1	27,803	(2)
Market risk	22,765	21,593	5	21,847	4
Total RWAs	276,670	268,834	3	272,653	1

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

Total risk-weighted assets (RWAs) increased 3 per cent or \$7.8 billion since 31 December 2020 to \$277 billion, broadly similar to the rate of increase in 1Q'19 and 1Q'20:

- **Credit Risk RWA** increased by \$6.3 billion in the first quarter to \$227 billion with asset growth mostly due to increased client demand and activity partly offset by FX movements and RWA optimisation actions. Credit migration increased RWAs by \$0.6bn in the quarter
- **Operational Risk RWA** increased \$0.3 billion primarily due to an increase in average income as measured over a rolling three-year time horizon, with higher 2020 income replacing lower 2017 income
- **Market Risk RWA** increased by \$1.2 billion to \$23 billion due to a seasonally higher level of Financial Markets activity

Capital base and ratios

	31.03.21 \$million	31.12.20 \$million	Change ¹ %	31.03.20 \$million	Change ¹ %
CET1 capital	38,711	38,779	(0)	36,467	6
Additional Tier 1 capital (AT1)	6,293	5,612	12	4,620	36
Tier 1 capital	45,004	44,391	1	41,087	10
Tier 2 capital	13,527	12,657	7	12,371	9
Total capital	58,531	57,048	3	53,458	9
CET1 capital ratio (%) ²	14.0	14.4	(0.4)	13.4	0.6
Total capital ratio (%) ²	21.2	21.2	-	19.6	1.6
UK leverage ratio (%) ²	5.1	5.2	(0.1)	4.9	0.2

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 requirements.

Group Chief Financial Officer's review continued

The Group's CET1 ratio of 14.0 per cent was 43 basis points lower than at 31 December 2020, 4.1 percentage points above the Group's latest regulatory minimum of 9.9 per cent and at the top of the 13-14 per cent medium-term target range. The Group's minimum CET1 requirement decreased to 9.9 per cent from 10 per cent at 31 December 2020 as the Group's Pillar 2A requirement (which is fixed in absolute terms) was reduced by higher RWA in the period.

The primary driver of the decrease in the CET1 ratio was the increase in RWAs, principally due to balance sheet growth, which resulted in a decrease in the CET1 ratio of approximately 50 basis points which more than offset approximately 40 basis points of CET1 accretion from profits in the quarter.

The CET1 ratio was reduced by 10bps from a net reduction in fair value through other comprehensive income (FVOCI) reserves mainly relating to a reversal of prior year unrealised gains on debt securities as a result of higher market yields. The reduction in FVOCI reserves was also driven in part by Treasury realisation activities; the gains on which were reflected in profits.

The Group spent \$255 million purchasing 37 million ordinary shares of \$0.50 each, representing a volume-weighted average price per share of £4.92. These shares were subsequently cancelled, reducing the total issued share capital by 1.2 per cent and the CET1 ratio by 9 basis points.

The Group is accruing a provisional interim 2021 ordinary share dividend over the first half of the year which is calculated formulaically at one-third of the ordinary dividend paid in the prior year or 3 cents a share. The Group is expecting an update from the Prudential Regulation Authority before the half-year results regarding the extent to which an interim ordinary dividend can be paid.

The expiration of the prudential valuation adjustment temporary regulatory diversification benefit at the start of 2021 reduced the CET1 ratio by 5 basis points. This was offset by a 6 basis points increase in the value of the revised treatment of software assets in CET1 reflecting an increase in capitalised software assets. The total benefit to CET1 from the revised treatment of software assets is now 28 basis points. The PRA is currently consulting on the potential removal of this benefit.

The Group's UK leverage ratio of 5.1 per cent is slightly lower than the 5.2 per cent ratio as at 31 December 2020. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

Outlook

We believe that some of our larger markets will continue to drive the global economy out of recession over the coming quarters. While the scale of the US fiscal stimulus and speed of vaccine roll-out have significantly lifted global economic prospects, we still expect the recovery to be volatile and uneven.

This positive backdrop reinforces our confidence in our previous guidance for FY'21, in particular:

- With the net interest margin having broadly stabilised, we expect income to start growing again in 2H'21 compared to 2H'20. Income is expected to be similar in FY'21 to that achieved in FY'20 at constant currency and to return to our medium-term guidance of 5-7% growth from FY'22
- We still expect FY'21 expenses to increase slightly compared to FY'20, as we continue to invest in our digital capabilities, but should remain below \$10 billion at constant currency
- We now expect impairment charges to reduce significantly year-on-year in FY'21 with the loan loss rate likely to be in or below our 35-40 basis point medium-term guidance range

Andy Halford

Group Chief Financial Officer

29 April 2021

Supplementary financial information

Underlying performance by client segment

	1Q'21			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Operating income	2,192	1,500	237	3,929
External	2,082	1,401	446	3,929
Inter-segment	110	99	(209)	-
Operating expenses	(1,302)	(991)	(201)	(2,494)
Operating profit before impairment losses and taxation	890	509	36	1,435
Credit impairment	30	(49)	(1)	(20)
Other impairment	(16)	-	-	(16)
Profit from associates and joint ventures	-	-	47	47
Underlying profit before taxation	904	460	82	1,446
Restructuring	1	(9)	(25)	(33)
Goodwill impairment	-	-	-	-
Other Items	-	-	-	-
Statutory profit before taxation	905	451	57	1,413
Total assets	391,048	133,333	280,522	804,903
Of which: loans and advances to customers ²	194,714	130,841	21,620	347,175
loans and advances to customers	139,745	130,725	21,614	292,084
loans held at fair value through profit or loss	54,969	116	6	55,091
Total liabilities	492,999	174,556	85,073	752,628
Of which: customer accounts ²	322,272	170,172	8,503	500,947
Risk-weighted assets	170,176	54,610	51,884	276,670
Underlying return on tangible equity (%)	11.2	17.8	1.7	10.8
Cost to income ratio (%)	59.4	66.1	84.8	63.5

	1Q'20			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Operating income	2,544	1,483	300	4,327
External	2,547	1,207	573	4,327
Inter-segment	(3)	276	(273)	-
Operating expenses	(1,190)	(1,015)	(153)	(2,358)
Operating profit before impairment losses and taxation	1,354	468	147	1,969
Credit impairment	(749)	(198)	(9)	(956)
Other impairment	153	-	1	154
Profit from associates and joint ventures	-	-	55	55
Underlying profit before taxation	758	270	194	1,222
Restructuring	(76)	(5)	(11)	(92)
Goodwill impairment	-	-	(258)	(258)
Other Items	-	-	14	14
Statutory profit/(loss) before taxation	682	265	(61)	886
Total assets	396,393	119,901	248,622	764,916
Of which: loans and advances to customers ²	190,902	117,679	13,037	321,618
loans and advances to customers	140,744	117,471	13,019	271,234
loans held at fair value through profit or loss	50,158	208	18	50,384
Total liabilities	479,796	163,619	71,497	714,912
Of which: customer accounts ²	314,286	160,120	8,244	482,650
Risk-weighted assets	169,057	50,531	53,065	272,653
Underlying return on tangible equity (%)	9.1	10.4	4.5	8.6
Cost to income ratio (%)	46.8	68.4	51.0	54.5

1 Following a reorganisation, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking

2 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

Supplementary financial information continued

Corporate, Commercial & Institutional Banking¹

	1Q'21 \$million	1Q'20 \$million	Change ⁶ %	Constant currency change ^{5a} %	4Q'20 \$million	Change ⁶ %	Constant currency change ^{5b} %
Operating income	2,192	2,544	(14)	(15)	1,820	20	20
Transaction Banking	637	795	(20)	(20)	647	(2)	(2)
Trade	271	255	6	6	244	11	12
Cash Management	366	540	(32)	(33)	403	(9)	(10)
Financial Markets ²	1,325	1,546	(14)	(16)	963	38	36
Macro Trading ^{3,4}	677	831	(19)	(20)	441	54	53
Credit Markets ^{3,4}	441	267	65	65	414	7	6
Credit Trading	131	(25)	nm ¹⁰	nm ¹⁰	119	10	10
Financing Solutions & Issuance	310	292	6	6	295	5	4
Structured Finance	99	92	8	6	101	(2)	(2)
Financing & Security Services ³	108	51	112	104	76	42	32
DVA	-	305	(100)	(100)	(69)	100	100
Lending & Portfolio Management ²	233	205	14	13	218	7	6
Retail Products	1	2	(50)	(50)	2	(50)	-
Deposits	1	2	(50)	(50)	2	(50)	-
Other	(4)	(4)	-	-	(10)	60	56
Operating expenses	(1,302)	(1,190)	(9)	(8)	(1,359)	4	5
Operating profit before impairment losses and taxation	890	1,354	(34)	(35)	461	93	92
Credit impairment	30	(749)	104	104	(202)	115	115
Other impairment	(16)	153	(110)	(110)	(62)	74	75
Underlying profit before taxation	904	758	19	18	197	nm¹⁰	nm¹⁰
Restructuring	1	(76)	101	101	(129)	101	101
Statutory profit before taxation	905	682	33	32	68	nm¹⁰	nm¹⁰
Total assets	391,048	396,393	(1)	(3)	388,303	1	1
Of which: loans and advances to customers ⁷	194,714	190,902	2	-	187,971	4	4
Total liabilities	492,999	479,796	3	1	481,042	2	3
Of which: customer accounts ⁷	322,272	314,286	3	1	310,779	4	4
Risk-weighted assets	170,176	169,057	1	nm ¹⁰	165,091	3	nm ¹⁰
Underlying return on risk-weighted assets (%) ⁸	2.2	1.8	40bps	nm ¹⁰	0.5	170bps	nm ¹⁰
Underlying return on tangible equity (%) ⁸	11.2	9.1	210bps	nm ¹⁰	2.3	890bps	nm ¹⁰
Cost to income ratio (%) ⁹	59.4	46.8	(12.6)	(12.4)	74.7	15.3	15.2

1 Following a reorganisation, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking

2 Following a reorganisation, there has been a reclassification of balances relating to Corporate Finance, Financial Markets and Lending & Portfolio Management including prior period numbers. There is no change in the total income

3 1Q'20 published results included \$0.5 million (4Q'20: \$1 million) of income within Foreign Exchange; \$6 million (4Q'20: \$6 million) within Rates; \$(3) million (4Q'20: \$1 million) within Commodities and \$(1) million (4Q'20: \$(1) million) within Global Credit now reported in Financing and Security Services

4 1Q'20 published results included \$3 million (4Q'20: \$3 million) of income in Commodities now reported in Credit Markets

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

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

7 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

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

10 Not meaningful

Performance highlights

- Underlying profit before tax of \$904 million was up 19 per cent driven mainly by lower impairments, partially offset by higher expenses and lower income. Underlying profit doubled excluding a \$305m reduction in the debit valuation adjustment (DVA)
- Underlying operating income of \$2,192 million was down 14 per cent (down 2 per cent excluding DVA) primarily as a result of lower Macro Trading income in Financial Markets, and the lower interest rate environment impacting Cash Management
- Good balance sheet momentum with loans and advances to customers up 4 per cent since 31 December 2020
- Risk-weighted assets up \$5 billion since 31 December 2020 mainly as a result of client demand-led asset growth
- RoTE increased to 11.2 per cent from 9.1 per cent

Supplementary financial information continued

Consumer, Private & Business Banking¹

	1Q'21 \$million	1Q'20 \$million	Change ³ %	Constant currency change ^{2,3} %	4Q'20 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	1,500	1,483	1	-	1,286	17	16
Transaction Banking	6	5	20	20	5	20	-
Trade	6	5	20	20	5	20	-
Wealth Management	641	530	21	20	436	47	46
Retail Products	848	944	(10)	(12)	846	-	(1)
CCPL & other unsecured lending	320	304	5	3	303	6	5
Deposits	232	470	(51)	(51)	269	(14)	(15)
Mortgage & Auto	247	136	82	75	234	6	4
Other Retail Products	49	34	44	39	40	23	25
Other	5	4	25	25	(1)	nm ⁷	nm ⁷
Operating expenses	(991)	(1,015)	2	4	(1,129)	12	13
Operating profit before impairment losses and taxation	509	468	9	8	157	nm⁷	nm⁷
Credit impairment	(49)	(198)	75	76	(155)	68	69
Other impairment	-	-	nm ⁷	nm ⁷	(9)	100	100
Underlying profit/(loss) before taxation	460	270	70	73	(7)	nm⁷	nm⁷
Restructuring	(9)	(5)	(80)	(80)	(43)	79	80
Statutory profit/(loss) before taxation	451	265	70	72	(50)	nm⁷	nm⁷
Total assets	133,333	119,901	11	7	131,783	1	3
Of which: loans and advances to customers ⁴	130,841	117,679	11	7	129,230	1	3
Total liabilities	174,556	163,619	7	3	177,709	(2)	(1)
Of which: customer accounts ⁴	170,172	160,120	6	3	173,506	(2)	(1)
Risk-weighted assets	54,610	50,531	8	nm ⁷	53,093	3	nm ⁷
Underlying return on risk-weighted assets (%) ⁵	3.4	2.1	130bps	nm ⁷	(0.1)	350bps	nm ⁷
Underlying return on tangible equity (%) ⁵	17.8	10.4	740bps	nm ⁷	(0.2)	1,800bps	nm ⁷
Cost to income ratio (%) ⁶	66.1	68.4	2.3	2.6	87.8	21.7	21.9

1 Following a reorganisation, there has been an integration of Private Banking and Retail Banking to Consumer, Private & Business Banking

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

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

4 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

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

7 Not meaningful

Performance highlights

- Underlying profit before tax of \$460 million was up 70 per cent driven by higher income, lower expenses and lower credit impairments
- Underlying operating income of \$1,500 million was up 1 per cent (flat on a constant currency basis) as strong double-digit increases in Wealth Management and Mortgage & Auto income more than offset the impact of lower interest rates on Retail Deposits
- Loans and advances to customers were up 1 per cent and up 3 per cent on a constant currency basis since 31 December 2020
- RoTE increased from 10.4 per cent to 17.8 per cent

Supplementary financial information continued

Central & other items (segment)

	1Q'21 \$million	1Q'20 \$million	Change ² %	Constant currency change ¹² %	4Q'20 \$million	Change ² %	Constant currency change ¹² %
Operating income	237	300	(21)	(21)	93	155	157
Treasury	257	325	(21)	(21)	92	179	176
Other	(20)	(25)	20	28	1	nm ⁶	nm ⁶
Operating expenses	(201)	(153)	(31)	(22)	(461)	56	57
Operating profit/(loss) before impairment losses and taxation	36	147	(76)	(73)	(368)	110	110
Credit impairment	(1)	(9)	89	83	(17)	94	94
Other impairment	-	1	(100)	(100)	(11)	100	100
Profit from associates and joint ventures	47	55	(15)	(15)	14	nm ⁶	nm ⁶
Underlying profit/(loss) before taxation	82	194	(58)	(55)	(382)	121	121
Restructuring	(25)	(11)	(127)	(108)	(76)	67	67
Goodwill impairment	-	(258)	100	100	-	nm ⁶	nm ⁶
Other items	-	14	(100)	(100)	(9)	100	100
Statutory profit/(loss) before taxation	57	(61)	193	183	(467)	112	112
Total assets	280,522	248,622	13	11	268,964	4	5
Of which: loans and advances to customers ³	21,620	13,037	66	57	19,075	13	15
Total liabilities	85,073	71,497	19	18	79,570	7	8
Of which: customer accounts ³	8,503	8,244	3	2	7,869	8	10
Risk-weighted assets	51,884	53,065	(2)	nm ⁶	50,650	2	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	0.6	1.5	(90)bps	nm ⁶	(3.1)	370bps	nm ⁶
Underlying return on tangible equity (%) ⁴	1.7	4.5	(280)bps	nm ⁶	(29.8)	3,150bps	nm ⁶
Cost to income ratio (%) (excluding UK bank levy) ⁵	84.8	51.0	(33.8)	(29.5)	139.8	55.0	60.7

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 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

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

6 Not meaningful

Performance highlights

- Underlying profit before tax more than halved to \$82 million with income down 21 per cent reflecting lower realisation gains within Treasury
- Expenses increased 31 per cent with performance-related pay accruals normalising
- Profit from associates and joint ventures was down 15 per cent primarily reflecting the reduction in the Group's shareholding in China Bohai Bank from 19.99 per cent in 1Q'20 to 16.26 per cent

Supplementary financial information continued

Underlying performance by region

	1Q'21				
	Asia ¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,817	590	550	(28)	3,929
Operating expenses	(1,572)	(393)	(366)	(163)	(2,494)
Operating profit/(loss) before impairment losses and taxation	1,245	197	184	(191)	1,435
Credit impairment	(58)	(7)	47	(2)	(20)
Other impairment	-	-	2	(18)	(16)
Profit from associates and joint ventures	47	-	-	-	47
Underlying profit/(loss) before taxation	1,234	190	233	(211)	1,446
Restructuring	(5)	(1)	(19)	(8)	(33)
Goodwill impairment	-	-	-	-	-
Other items	-	-	-	-	-
Statutory profit/(loss) before taxation	1,229	189	214	(219)	1,413
Total assets	468,748	57,618	269,560	8,977	804,903
Of which: loans and advances to customers ²	247,424	28,548	71,203	-	347,175
loans and advances to customers	235,572	27,110	29,402	-	292,084
loans held at fair value through profit or loss	11,852	1,438	41,801	-	55,091
Total liabilities	418,288	39,102	224,097	71,141	752,628
Of which: customer accounts ²	334,908	31,465	134,574	-	500,947
Risk-weighted assets	178,541	50,640	49,848	(2,359)	276,670
Cost to income ratio (%)	55.8	66.6	66.5	nm ³	63.5

	1Q'20				
	Asia ¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,973	661	546	147	4,327
Operating expenses	(1,525)	(403)	(343)	(87)	(2,358)
Operating profit before impairment losses and taxation	1,448	258	203	60	1,969
Credit impairment	(649)	(211)	(102)	6	(956)
Other impairment	165	-	-	(11)	154
Profit from associates and joint ventures	53	-	-	2	55
Underlying profit before taxation	1,017	47	101	57	1,222
Restructuring	(50)	(7)	(14)	(21)	(92)
Goodwill impairment	-	-	-	(258)	(258)
Other items	-	-	-	14	14
Statutory profit/(loss) before taxation	967	40	87	(208)	886
Total assets	456,691	63,555	233,572	11,098	764,916
Of which: loans and advances to customers ²	222,593	32,338	66,687	-	321,618
loans and advances to customers	212,150	30,344	28,740	-	271,234
loans held at fair value through profit or loss	10,443	1,994	37,947	-	50,384
Total liabilities	397,747	37,875	238,508	40,782	714,912
Of which: customer accounts ²	312,244	30,059	140,347	-	482,650
Risk-weighted assets	177,754	51,414	45,944	(2,459)	272,653
Cost to income ratio (%)	51.3	61.0	62.8	59.2	54.5

1 Following a reorganisation, there has been an integration of Greater China & North Asia and ASEAN & South Asia to Asia

2 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

3 Not meaningful

Supplementary financial information continued

Asia¹

	1Q'21 \$million	1Q'20 \$million	Change ³ %	Constant currency change ^{2,3} %	4Q'20 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	2,817	2,973	(5)	(7)	2,357	20	19
Operating expenses	(1,572)	(1,525)	(3)	-	(1,729)	9	10
Operating profit before impairment losses and taxation	1,245	1,448	(14)	(15)	628	98	100
Credit impairment	(58)	(649)	91	91	(200)	71	71
Other impairment	-	165	(100)	(100)	(40)	100	100
Profit from associates and joint ventures	47	53	(11)	(11)	15	nm ⁶	nm ⁶
Underlying profit before taxation	1,234	1,017	21	20	403	nm ⁶	nm ⁶
Restructuring	(5)	(50)	90	90	(62)	92	92
Other items	-	-	nm ⁶	nm ⁶	(8)	100	100
Statutory profit before taxation	1,229	967	27	26	333	nm ⁶	nm ⁶
Total assets	468,748	456,691	3	-	467,212	-	2
Of which: loans and advances to customers ⁴	247,424	222,593	11	7	239,092	3	5
Total liabilities	418,288	397,747	5	2	421,711	(1)	-
Of which: customer accounts ⁴	334,908	312,244	7	4	334,623	-	1
Risk-weighted assets	178,541	177,754	-	nm ⁶	174,283	2	nm ⁶
Cost to income ratio (%) ⁵	55.8	51.3	(4.5)	(4.2)	73.4	17.6	18.0

1 Following a reorganisation, there has been an integration of Greater China & North Asia and ASEAN & South Asia to Asia

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

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

4 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$1,234 million was up 21 per cent as significantly lower credit impairments more than offset lower income and a non-repeat of a \$165 million other impairment recovery in 1Q'20
- Underlying operating income of \$2,817 million was down 5 per cent, predominantly driven by lower Financial Markets income and the impact of lower interest rates. This was partially offset by a strong performance in Wealth Management and Mortgages & Auto
- Loans and advances to customers were up 3 per cent since 31 December 2020, primarily in Hong Kong, Singapore, China and Korea
- Risk-weighted assets were up \$4 billion since 31 December 2020, mainly from client demand-led asset growth

Supplementary financial information continued

Africa & Middle East

	1Q'21 \$million	1Q'20 \$million	Change ² %	Constant currency change ¹² %	4Q'20 \$million	Change ² %	Constant currency change ¹² %
Operating income	590	661	(11)	(8)	519	14	12
Operating expenses	(393)	(403)	2	(1)	(464)	15	12
Operating profit before impairment losses and taxation	197	258	(24)	(23)	55	nm ⁵	161
Credit impairment	(7)	(211)	97	97	(130)	95	95
Other impairment	-	-	nm ⁵	nm ⁵	(13)	100	100
Underlying profit/(loss) before taxation	190	47	nm ⁵	nm ⁵	(88)	nm ⁵	nm ⁵
Restructuring	(1)	(7)	86	86	(68)	99	99
Statutory profit/(loss) before taxation	189	40	nm ⁵	nm ⁵	(156)	nm ⁵	nm ⁵
Total assets	57,618	63,555	(9)	(11)	58,069	(1)	(1)
Of which: loans and advances to customers ³	28,548	32,338	(12)	(13)	29,413	(3)	(3)
Total liabilities	39,102	37,875	3	1	39,980	(2)	(2)
Of which: customer accounts ³	31,465	30,059	5	2	32,106	(2)	(2)
Risk-weighted assets	50,640	51,414	(2)	nm ⁵	51,149	(1)	nm ⁵
Cost to income ratio (%) ⁴	66.6	61.0	(5.6)	(6.3)	89.4	22.8	18.8

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 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

5 Not meaningful

Performance highlights

- Underlying profit before tax of \$190 million was more than four times higher, mainly driven by significantly reduced credit impairments, particularly in UAE which has returned to profitability, and a 2 per cent reduction in expenses with efficiency actions funding ongoing strategic investments
- Underlying operating income of \$590 million was 11 per cent lower (down 8 per cent on a constant currency basis and excluding the debit valuation adjustment), mainly due to the impact of lower interest rates, partly offset by growth in Wealth Management income
- Loans and advances to customers were down 3 per cent and customer accounts were down 2 per cent since 31 December 2020
- Risk-weighted assets were down 1 per cent since 31 December 2020

Supplementary financial information continued

Europe & Americas

	1Q'21 \$million	1Q'20 \$million	Change ² %	Constant currency change ¹² %	4Q'20 \$million	Change ² %	Constant currency change ¹² %
Operating income	550	546	1	-	404	36	36
Operating expenses	(366)	(343)	(7)	(4)	(362)	(1)	1
Operating profit before impairment losses and taxation	184	203	(9)	(8)	42	nm ⁵	nm ⁵
Credit impairment	47	(102)	146	147	(44)	nm ⁵	nm ⁵
Other impairment	2	-	nm ⁵	nm ⁵	(5)	140	140
Underlying profit/(loss) before taxation	233	101	131	136	(7)	nm ⁵	nm ⁵
Restructuring	(19)	(14)	(36)	(36)	(27)	30	30
Statutory profit/(loss) before taxation	214	87	146	152	(34)	nm ⁵	nm ⁵
Total assets	269,560	233,572	15	15	253,438	6	7
Of which: loans and advances to customers ³	71,203	66,687	7	5	67,771	5	5
Total liabilities	224,097	238,508	(6)	(7)	211,840	6	6
Of which: customer accounts ³	134,574	140,347	(4)	(5)	125,425	7	7
Risk-weighted assets	49,848	45,944	8	nm ⁵	45,758	9	nm ⁵
Cost to income ratio (%) ⁴	66.5	62.8	(3.7)	(2.8)	89.6	23.1	24.6

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 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

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

5 Not meaningful

Performance highlights

- Underlying profit before tax of \$233 million more than doubled, predominantly driven by reduced credit impairment
- Underlying operating income of \$550 million was up 1 per cent and up 42 per cent excluding the debit valuation adjustment
- Loans and advances to customers grew 5 per cent since 31 December 2020 while customer accounts grew 7 per cent

Supplementary financial information continued

Central & other items (region)

	1Q'21 \$million	1Q'20 \$million	Change ² %	Constant currency change ¹² %	4Q'20 \$million	Change ² %	Constant currency change ¹² %
Operating income	(28)	147	(119)	(119)	(81)	65	65
Operating expenses	(163)	(87)	(87)	(60)	(394)	59	60
Operating profit/(loss) before impairment losses and taxation	(191)	60	nm ⁴	nm ⁴	(475)	60	61
Credit impairment	(2)	6	(133)	(133)	-	nm ⁴	nm ⁴
Other impairment	(18)	(11)	(64)	(64)	(24)	25	22
Profit from associates and joint ventures	-	2	(100)	(100)	(1)	100	nm ⁴
Underlying profit/(loss) before taxation	(211)	57	nm ⁴	nm ⁴	(500)	58	58
Restructuring	(8)	(21)	62	62	(91)	91	91
Goodwill impairment	-	(258)	100	100	-	nm ⁴	nm ⁴
Other items	-	14	(100)	(100)	(1)	100	nm ⁴
Statutory profit/(loss) before taxation	(219)	(208)	(5)	1	(592)	63	63
Total assets	8,977	11,098	(19)	(20)	10,331	(13)	(13)
Total liabilities	71,141	40,782	74	74	64,790	10	10
Risk-weighted assets	(2,359)	(2,459)	4	nm ⁴	(2,356)	-	nm ⁴
Cost to income ratio (%) (excluding UK bank levy) ³	nm ⁴	59.2	nm ⁴	nm ⁴	(77.8)	nm ⁴	nm ⁴

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 tax of \$211 million compared to 1Q'20 profit of \$57 million due to lower returns paid to Treasury on the equity provided to the regions in a lower interest rate environment and increased expenses reflecting a normalisation of performance-related pay accruals

Supplementary financial information continued

Underlying performance by key market

	1Q'21								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	949	284	301	457	312	62	137	297	192
Operating expenses	(475)	(185)	(172)	(238)	(167)	(42)	(92)	(174)	(140)
Operating profit before impairment losses and taxation	474	99	129	219	145	20	45	123	52
Credit impairment	(26)	13	(1)	35	(34)	(11)	(2)	33	15
Other impairment	-	-	-	-	-	-	-	2	-
Profit from associates and joint ventures	-	-	47	-	-	-	-	-	-
Underlying profit before taxation	448	112	175	254	111	9	43	158	67
Total assets employed	173,384	66,241	39,410	88,630	29,872	4,912	19,891	183,074	70,427
Of which: loans and advances to customers ¹	83,293	42,453	18,364	54,863	14,875	2,331	9,962	48,339	18,327
Total liabilities employed	162,760	57,624	35,088	85,059	21,849	3,508	13,374	142,130	69,128
Of which: customer accounts ¹	135,436	46,191	25,614	64,030	16,059	2,477	10,352	87,044	39,342
Cost to income ratio (%)	50.1	65.1	57.1	52.1	53.5	67.7	67.2	58.6	72.9

	1Q'20								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	957	322	275	375	409	144	159	330	171
Operating expenses	(482)	(172)	(161)	(239)	(163)	(44)	(103)	(166)	(140)
Operating profit before impairment losses and taxation	475	150	114	136	246	100	56	164	31
Credit impairment	(96)	(11)	(83)	(287)	(95)	(14)	(116)	(75)	(27)
Other impairment	(1)	-	-	-	-	-	-	-	-
Profit from associates and joint ventures	-	-	53	-	-	-	-	-	-
Underlying profit/(loss) before taxation	378	139	84	(151)	151	86	(60)	89	4
Total assets employed	167,075	58,127	36,293	90,950	31,807	5,152	22,432	148,466	73,973
Of which: loans and advances to customers ¹	75,306	34,550	16,230	47,018	16,606	2,398	10,731	41,134	21,456
Total liabilities employed	149,659	50,560	29,270	90,360	21,853	3,468	14,626	158,123	70,635
Of which: customer accounts ¹	122,450	40,874	22,355	67,170	14,520	2,010	11,793	94,480	40,637
Cost to income ratio (%)	50.4	53.4	58.5	63.7	39.9	30.6	64.8	50.3	81.9

1 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

Supplementary financial information continued

Quarterly underlying operating income by product

	1Q'21 \$million	4Q'20 \$million	3Q'20 \$million	2Q'20 \$million	1Q'20 \$million	4Q'19 \$million	3Q'19 \$million	2Q'19 \$million
Transaction Banking	643	652	665	721	800	834	887	901
Trade	277	249	255	230	260	259	282	282
Cash Management	366	403	410	491	540	575	605	619
Financial Markets ¹	1,325	963	1,189	1,236	1,546	1,038	1,147	1,092
Macro Trading ^{2,3}	677	441	522	760	831	458	463	482
Credit Markets ^{2,3}	441	414	464	476	267	376	427	374
Credit Trading	131	119	129	181	(25)	83	110	83
Financing Solutions & Issuance	310	295	335	295	292	293	317	291
Structured Finance	99	101	101	88	92	160	96	106
Financing & Security Services ²	108	76	124	113	51	116	147	119
DVA	-	(69)	(22)	(201)	305	(72)	14	11
Lending & Portfolio Management ¹	233	218	226	235	205	207	212	211
Wealth Management	641	436	568	434	530	415	488	511
Retail Products	849	848	859	913	946	960	975	976
CCPL & other unsecured lending	320	303	309	295	304	311	315	320
Deposits	233	271	301	413	472	484	510	501
Mortgage & Auto	247	234	211	169	136	130	123	129
Other Retail Products	49	40	38	36	34	35	27	26
Treasury	257	92	40	178	325	196	335	251
Other	(19)	(10)	(28)	3	(25)	(53)	(66)	(59)
Total underlying operating income	3,929	3,199	3,519	3,720	4,327	3,597	3,978	3,883

1 Following a reorganisation, there has been a reclassification of balances relating to Corporate Finance, Financial Markets and Lending & Portfolio Management including prior period numbers. There is no change in the total income

2 1Q'20 published results included \$0.5 million (4Q'20: \$1 million, 3Q'20: \$0.5 million, 2Q'20: \$(2) million, 4Q'19: \$2 million, 3Q'19: \$2 million, 2Q'19: \$(1) million) of income within Foreign exchange; \$6 million (4Q'20: \$6 million, 3Q'20: \$1 million, 2Q'20: \$3 million, 4Q'19: -, 3Q'19: \$7 million, 2Q'19: \$1 million) within Rates; \$(3) million (4Q'20: \$1 million, 3Q'20: \$1 million, 2Q'20: -, 4Q'19: \$2 million, 3Q'19: -, 2Q'19: \$(2) million) within Commodities and \$(1) million (4Q'20: \$(1) million, 3Q'20: \$(1) million, 2Q'20: \$5 million, 4Q'19: \$2 million, 3Q'19: \$6 million, 2Q'19: \$(1) million) within Global Credit which is now reported within Financing and Security Services

3 1Q'20 published results included \$3 million (4Q'20: \$3 million, 3Q'20: \$4 million, 2Q'20: \$2 million, 4Q'19: \$3 million, 3Q'19: \$3 million, 2Q'19: \$4 million) of income in Commodities now reported in Credit Markets

Supplementary financial information continued

Earnings per ordinary share

	1Q'21 \$million	1Q'20 \$million	Change %	4Q'20 \$million	Change %
Profit/(loss) for the period attributable to equity holders	1,099	517	113	(476)	nm ¹
Non-controlling interest	(7)	(7)	-	(2)	nm ¹
Dividend payable on preference shares and AT1 classified as equity	(65)	(33)	(97)	(132)	51
Profit/(loss) for the period attributable to ordinary shareholders	1,027	477	115	(610)	nm ¹
Items normalised:					
Provision for regulatory matters	-	(14)	nm ¹	-	nm ¹
Restructuring	33	92	(64)	248	(87)
Profit from associates and joint ventures	-	-	nm ¹	-	nm ¹
Gains arising on repurchase of subordinated liabilities	-	-	nm ¹	-	nm ¹
Goodwill impairment	-	258	nm ¹	-	nm ¹
Net Gain on sale of Businesses	-	-	nm ¹	9	nm ¹
Tax on normalised items	(7)	(3)	(133)	(72)	90
Underlying profit/(loss)	1,053	810	30	(425)	nm ¹
Basic - Weighted average number of shares (millions)	3,146	3,186	nm ¹	3,152	nm ¹
Diluted - Weighted average number of shares (millions)	3,200	3,218	nm ¹	3,196	nm ¹
Basic earnings per ordinary share (cents)²	32.6	15.0	17.6	(19.4)	52.0
Diluted earnings per ordinary share (cents)²	32.1	14.8	17.3	(19.1)	51.2
Underlying basic earnings per ordinary share (cents)²	33.5	25.4	8.1	(13.5)	47.0
Underlying diluted earnings per ordinary share (cents)²	32.9	25.2	7.7	(13.3)	46.2

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

	1Q'21 \$million	1Q'20 \$million	Change %	4Q'20 \$million	Change %
Average parent company Shareholders' Equity	46,026	44,511	3	45,814	-
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Average intangible assets	(5,068)	(5,090)	-	(4,990)	(2)
Average Ordinary Shareholders' Tangible Equity	39,464	37,927	4	39,330	-
Profit/(loss) for the period attributable to equity holders	1,099	517	113	(476)	nm¹
Non-controlling interests	(7)	(7)	-	(2)	nm ¹
Dividend payable on preference shares and AT1 classified as equity	(65)	(33)	(97)	(132)	51
Profit/(loss) for the period attributable to ordinary shareholders	1,027	477	115	(610)	nm¹
Items normalised:					
Provision for regulatory matters	-	(14)	nm ¹	-	nm ¹
Restructuring	33	92	(64)	248	(87)
Profit from associates and joint ventures	-	-	nm ¹	-	nm ¹
Goodwill Impairment	-	258	nm ¹	-	nm ¹
Net gain on sale of businesses	-	-	nm ¹	9	nm ¹
Tax on normalised items	(7)	(3)	(133)	(72)	90
Underlying profit for the period attributable to ordinary shareholders	1,053	810	30	(425)	nm¹
Underlying Return on Tangible Equity	10.8%	8.6%	220bps	(4.3%)	nm¹
Statutory Return on Tangible Equity	10.6%	5.1%	550bps	(6.2%)	nm¹

1 Not meaningful

Net Tangible Asset Value per Share

	31.03.21 \$m	31.03.20 \$m	Change %	31.12.20 \$m	Change %
Parent company shareholders' equity	46,166	44,185	4	45,886	1
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Intangible assets	(5,072)	(4,890)	(4)	(5,063)	-
Net shareholders tangible equity	39,600	37,801	5	39,329	1
Ordinary shares in issue, excluding own shares ('m)	3,118	3,147	(1)	3,150	(1)
Net Tangible Asset Value per share (c)	1,270	1,201	69	1,249	21

Underlying versus statutory results reconciliations

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

Operating income by client segment

	1Q'21			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Underlying operating income	2,192	1,500	237	3,929
Restructuring	10	-	-	10
Statutory operating income	2,202	1,500	237	3,939

	1Q'20			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Underlying operating income	2,544	1,483	300	4,327
Restructuring	9	-	(1)	8
Statutory operating income	2,553	1,483	299	4,335

¹ Following a reorganisation, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking

Operating income by region

	1Q'21				
	Asia¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Underlying operating income	2,817	590	550	(28)	3,929
Restructuring	10	1	-	(1)	10
Statutory operating income	2,827	591	550	(29)	3,939

	1Q'20				
	Asia¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Underlying operating income	2,973	661	546	147	4,327
Restructuring	24	3	-	(19)	8
Statutory operating income	2,997	664	546	128	4,335

¹ Following a reorganisation, there has been an integration of Greater China & North Asia and ASEAN & South Asia to Asia

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT)

	1Q'21				
	Underlying \$million	Provision for regulatory matters \$million	Restructuring \$million	Goodwill impairment \$million	Statutory \$million
Operating income	3,929	-	10	-	3,939
Operating expenses	(2,494)	-	(34)	-	(2,528)
Operating profit/(loss) before impairment losses and taxation	1,435	-	(24)	-	1,411
Credit impairment	(20)	-	3	-	(17)
Other impairment	(16)	-	(12)	-	(28)
Profit from associates and joint ventures	47	-	-	-	47
Profit/(loss) before taxation	1,446	-	(33)	-	1,413

	1Q'20				
	Underlying \$million	Provision for regulatory matters \$million	Restructuring \$million	Goodwill impairment \$million	Statutory \$million
Operating income	4,327	-	8	-	4,335
Operating expenses	(2,358)	14	(24)	-	(2,368)
Operating profit/(loss) before impairment losses and taxation	1,969	14	(16)	-	1,967
Credit impairment	(956)	-	(6)	-	(962)
Other impairment	154	-	(62)	(258)	(166)
Profit from associates and joint ventures	55	-	(8)	-	47
Profit/(loss) before taxation	1,222	14	(92)	(258)	886

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT) by client segment

	1Q'21			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Operating income	2,192	1,500	237	3,929
External	2,082	1,401	446	3,929
Inter-segment	110	99	(209)	-
Operating expenses	(1,302)	(991)	(201)	(2,494)
Operating profit before impairment losses and taxation	890	509	36	1,435
Credit impairment	30	(49)	(1)	(20)
Other impairment	(16)	-	-	(16)
Profit from associates and joint ventures	-	-	47	47
Underlying profit before taxation	904	460	82	1,446
Restructuring	1	(9)	(25)	(33)
Goodwill impairment	-	-	-	-
Other items	-	-	-	-
Statutory profit before taxation	905	451	57	1,413

	1Q'20			
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items \$million	Total \$million
Operating income	2,544	1,483	300	4,327
External	2,547	1,207	573	4,327
Inter-segment	(3)	276	(273)	-
Operating expenses	(1,190)	(1,015)	(153)	(2,358)
Operating profit before impairment losses and taxation	1,354	468	147	1,969
Credit impairment	(749)	(198)	(9)	(956)
Other impairment	153	-	1	154
Profit from associates and joint ventures	-	-	55	55
Underlying profit before taxation	758	270	194	1,222
Restructuring	(76)	(5)	(11)	(92)
Goodwill impairment	-	-	(258)	(258)
Other items	-	-	14	14
Statutory profit/(loss) before taxation	682	265	(61)	886

1 Following a reorganisation, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT) by region

	1Q'21				
	Asia ¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,817	590	550	(28)	3,929
Operating expenses	(1,572)	(393)	(366)	(163)	(2,494)
Operating profit/(loss) before impairment losses and taxation	1,245	197	184	(191)	1,435
Credit impairment	(58)	(7)	47	(2)	(20)
Other impairment	-	-	2	(18)	(16)
Profit from associates and joint ventures	47	-	-	-	47
Underlying profit/(loss) before taxation	1,234	190	233	(211)	1,446
Restructuring	(5)	(1)	(19)	(8)	(33)
Goodwill impairment	-	-	-	-	-
Other items	-	-	-	-	-
Statutory profit/(loss) before taxation	1,229	189	214	(219)	1,413

	1Q'20				
	Asia ¹ \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,973	661	546	147	4,327
Operating expenses	(1,525)	(403)	(343)	(87)	(2,358)
Operating profit before impairment losses and taxation	1,448	258	203	60	1,969
Credit impairment	(649)	(211)	(102)	6	(956)
Other impairment	165	-	-	(11)	154
Profit from associates and joint ventures	53	-	-	2	55
Underlying profit before taxation	1,017	47	101	57	1,222
Restructuring	(50)	(7)	(14)	(21)	(92)
Goodwill impairment	-	-	-	(258)	(258)
Other items	-	-	-	14	14
Statutory profit/(loss) before taxation	967	40	87	(208)	886

1 Following a reorganisation, there has been an integration of Greater China & North Asia and ASEAN & South Asia to Asia

Underlying versus statutory results reconciliations continued

Return on tangible equity (RoTE)

	1Q'21			
	Corporate, Commercial & Institutional Banking ¹ %	Consumer, Private & Business Banking ¹ %	Central & Other Items %	Total %
Underlying RoTE	11.2	17.8	1.7	10.8
Provision for regulatory matters	-	-	-	-
Restructuring				
Of which: Income	0.2	-	-	0.1
Of which: Expenses	(0.2)	(0.5)	(0.7)	(0.3)
Of which: Credit impairment	-	-	-	-
Of which: Other impairment	-	-	(0.7)	(0.1)
Of which: Profit from associates and joint ventures	-	-	-	-
Goodwill impairment	-	-	-	-
Tax on normalised items	0.1	0.1	0.3	0.1
Statutory RoTE	11.3	17.4	0.6	10.6

	1Q'20			
	Corporate, Commercial & Institutional Banking ¹ %	Consumer, Private & Business Banking ¹ %	Central & Other Items %	Total %
Underlying RoTE	9.1	10.4	4.5	8.6
Provision for regulatory matters	-	-	0.9	0.1
Restructuring				
Of which: Income	0.1	-	(0.1)	0.1
Of which: Expenses	(0.3)	(0.3)	(0.1)	(0.3)
Of which: Credit impairment	(0.1)	-	-	(0.1)
Of which: Other impairment	(1.0)	-	-	(0.7)
Of which: Profit from associates and joint ventures	-	-	(0.6)	(0.1)
Goodwill impairment	-	-	(16.5)	(2.7)
Tax on normalised items	0.4	0.2	(1.2)	0.2
Statutory RoTE	8.2	10.3	(13.1)	5.1

¹ Following a reorganisation, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking

Underlying versus statutory results reconciliations continued

Earnings per ordinary share (EPS)

	1Q'21								
	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 Gain on Sale of Businesses \$ million	Goodwill impairment \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	1,053	-	(33)	-	-	-	-	7	1,027
Basic - Weighted average number of shares (millions)	3,146								3,146
Basic earnings per ordinary share (cents)	33.5								32.6

	1Q'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 Gain on Sale of Businesses \$ million	Goodwill impairment \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	810	14	(92)	-	-	-	(258)	3	477
Basic - Weighted average number of shares (millions)	3,186								3,186
Basic earnings per ordinary share (cents)	25.4								15.0

Risk review

Credit quality by client segment

	31.03.21						
	Customers						
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial guarantees \$million
Amortised cost							
Stage 1	47,808	121,259	128,351	20,757	270,367	141,370	49,285
- Strong	37,990	68,937	122,490	20,438	211,865	122,165	31,654
- Satisfactory	9,818	52,322	5,861	319	58,502	19,205	17,631
Stage 2	222	17,059	2,150	3	19,212	10,784	3,303
- Strong	32	2,162	1,504	-	3,666	5,064	633
- Satisfactory	158	12,732	281	3	13,016	4,806	1,877
- Higher risk	32	2,165	365	-	2,530	914	793
Of which (stage 2):							
- Less than 30 days past due	23	102	279	-	381	-	-
- More than 30 days past due	-	419	369	-	788	-	-
Stage 3, credit-impaired financial assets	-	7,212	1,504	2	8,718	1	675
Gross balance¹	48,030	145,530	132,005	20,762	298,297	152,155	53,263
Stage 1	(13)	(79)	(406)	(1)	(486)	(41)	(18)
- Strong	(6)	(20)	(319)	-	(339)	(19)	(13)
- Satisfactory	(7)	(59)	(87)	(1)	(147)	(22)	(5)
Stage 2	(1)	(483)	(200)	-	(683)	(60)	(27)
- Strong	-	(24)	(117)	-	(141)	(7)	(3)
- Satisfactory	(1)	(292)	(22)	-	(314)	(37)	(12)
- Higher risk	-	(167)	(61)	-	(228)	(16)	(12)
Of which (stage 2):							
- Less than 30 days past due	-	(4)	(22)	-	(26)	-	-
- More than 30 days past due	-	(6)	(61)	-	(67)	-	-
Stage 3, credit-impaired financial assets	-	(4,365)	(677)	(2)	(5,044)	-	(182)
Total credit impairment	(14)	(4,927)	(1,283)	(3)	(6,213)	(101)	(227)
Net carrying value	48,016	140,603	130,722	20,759	292,084		
Stage 1	0.0%	0.1%	0.3%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.0%	0.3%	0.0%	0.2%	0.0%	0.0%
- Satisfactory	0.1%	0.1%	1.5%	0.3%	0.3%	0.1%	0.0%
Stage 2	0.5%	2.8%	9.3%	0.0%	3.6%	0.6%	0.8%
- Strong	0.0%	1.1%	7.8%	0.0%	3.8%	0.1%	0.5%
- Satisfactory	0.6%	2.3%	7.8%	0.0%	2.4%	0.8%	0.6%
- Higher risk	0.0%	7.7%	16.7%	0.0%	9.0%	1.8%	1.5%
Of which (stage 2):							
- Less than 30 days past due	0.0%	3.9%	7.9%	0.0%	6.8%	0.0%	0.0%
- More than 30 days past due	0.0%	1.4%	16.5%	0.0%	8.5%	0.0%	0.0%
Stage 3, credit-impaired financial assets	0.0%	60.5%	45.0%	100.0%	57.9%	0.0%	27.0%
Cover ratio	0.0%	3.4%	1.0%	0.0%	2.1%	0.1%	0.4%
Fair value through profit or loss							
Performing	23,650	54,926	116	6	55,048	-	-
- Strong	20,516	32,758	115	3	32,876	-	-
- Satisfactory	3,134	22,049	1	3	22,053	-	-
- Higher risk	-	119	-	-	119	-	-
Defaulted (CG13-14)	-	43	-	-	43	-	-
Gross balance (FVTPL)²	23,650	54,969	116	6	55,091	-	-
Net carrying value (incl. FVTPL)	71,666	195,572	130,838	20,765	347,175		

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$3,197 million under Customers and of \$728 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$45,285 million under Customers and of \$20,350 million under Banks, held at fair value through profit or loss

Risk review continued

31.12.20							
	Customers						
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial guarantees \$million
Amortised cost							
Stage 1	44,015	110,993	126,294	19,150	256,437	143,703	49,489
- Strong ³	34,961	64,277	120,892	18,889	204,058	122,792	30,879
- Satisfactory ³	9,054	46,716	5,402	261	52,379	20,911	18,610
Stage 2	349	20,004	2,657	-	22,661	9,698	3,573
- Strong	95	2,756	1,522	-	4,278	3,537	386
- Satisfactory	233	15,105	665	-	15,770	5,522	2,399
- Higher risk	21	2,143	470	-	2,613	639	788
Of which (stage 2):							
- Less than 30 days past due	-	202	663	-	865	-	-
- More than 30 days past due	29	148	480	-	628	-	-
Stage 3, credit-impaired financial assets	-	7,652	1,562	-	9,214	2	770
Gross balance ¹	44,364	138,649	130,513	19,150	288,312	153,403	53,832
Stage 1	(14)	(95)	(438)	(1)	(534)	(39)	(20)
- Strong ³	(7)	(34)	(328)	-	(362)	(19)	(13)
- Satisfactory ³	(7)	(61)	(110)	(1)	(172)	(20)	(7)
Stage 2	(3)	(487)	(251)	-	(738)	(78)	(36)
- Strong	-	(42)	(100)	-	(142)	(3)	(3)
- Satisfactory	(3)	(291)	(85)	-	(376)	(44)	(19)
- Higher risk	-	(154)	(66)	-	(220)	(31)	(14)
Of which (stage 2):							
- Less than 30 days past due	-	(6)	(85)	-	(91)	-	-
- More than 30 days past due	-	(6)	(66)	-	(72)	-	-
Stage 3, credit-impaired financial assets	-	(4,610)	(731)	-	(5,341)	-	(194)
Total credit impairment	(17)	(5,192)	(1,420)	(1)	(6,613)	(117)	(250)
Net carrying value	44,347	133,457	129,093	19,149	281,699		
Stage 1	0.0%	0.1%	0.3%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.3%	0.0%	0.2%	0.0%	0.0%
- Satisfactory	0.1%	0.1%	2.0%	0.4%	0.3%	0.1%	0.0%
Stage 2	0.9%	2.4%	9.4%	0.0%	3.3%	0.8%	1.0%
- Strong	0.0%	1.5%	6.6%	0.0%	3.3%	0.1%	0.8%
- Satisfactory	1.3%	1.9%	12.8%	0.0%	2.4%	0.8%	0.8%
- Higher risk	0.0%	7.2%	14.0%	0.0%	8.4%	4.9%	1.8%
Of which (stage 2):							
- Less than 30 days past due	0.0%	3.0%	12.8%	0.0%	10.5%	0.0%	0.0%
- More than 30 days past due	0.0%	4.1%	13.8%	0.0%	11.5%	0.0%	0.0%
Stage 3, credit-impaired financial assets	0.0%	60.2%	46.8%	0.0%	58.0%	0.0%	25.2%
Cover ratio	0.0%	3.7%	1.1%	0.0%	2.3%	0.1%	0.5%
Fair value through profit or loss							
Performing	22,082	54,384	135	12	54,531	-	-
- Strong	18,100	29,527	133	8	29,668	-	-
- Satisfactory	3,982	24,775	2	4	24,781	-	-
- Higher risk	-	82	-	-	82	-	-
Defaulted (CG13-14)	-	46	-	-	46	-	-
Gross balance (FVTPL) ²	22,082	54,430	135	12	54,577	-	-
Net carrying value (incl. FVTPL)	66,429	187,887	129,228	19,161	336,276		

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$2,919 million under Customers and of \$1,247 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$45,200 million under Customers and of \$18,205 million under Banks, held at fair value through profit or loss

3 FY 2020 Consumer, Private & Business Banking Stage 1 Gross: Strong restated from \$119,766 million to \$120,892 million and Satisfactory restated from \$6,528 million to \$5,402 million. FY 2020 Consumer, Private & Business Banking Stage 1 ECL: Strong restated from \$307 million to \$328 million and Satisfactory restated from \$131 million to \$110 million.

Risk review continued

Credit impairment charge

	1Q'21			1Q'20		
	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million
Ongoing business portfolio						
Corporate, Commercial & Institutional Banking	(27)	(3)	(30)	300	449	749
Consumer, Private & Business Banking	(10)	59	49	142	56	198
Central & Others	2	(1)	1	9	0	9
Credit impairment charge	(35)	55	20	451	505	956
Restructuring business portfolio						
Others	(1)	(2)	(3)	0	6	6
Credit impairment charge	(1)	(2)	(3)	0	6	6
Total credit impairment charge	(36)	53	17	451	511	962

COVID-19 relief measures

Segment	Asia		Africa & Middle East		Europe & Americas	
	Outstanding \$million	% of portfolio ¹	Outstanding \$million	% of portfolio ¹	Outstanding \$million	% of portfolio ¹
Credit card & Personal loans	206	1%	61	0%	145	8%
Mortgages & Auto	914	1%	899	1%	15	1%
Business Banking	168	1%	168	1%		
Total Consumer, Private & Business Banking	1,288	1%	1,128	1%	160	3%
Corporate, Commercial & Institutional Banking	866		658		195	13
Total at 31 March 2021	2,154	1%	1,786		355	13

¹ Percentage of portfolio represents the outstanding amount as a percentage of the gross loans and advances to banks and customers by product and segment and total loans and advances to banks and customers

Risk review continued

Vulnerable sectors

Maximum Exposure

31.03.21							
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
Industry:							
Aviation ¹	4,273	1,923	2,350	1,363	494	1,857	4,207
Commodity Traders	9,662	196	9,466	1,537	5,015	6,552	16,018
Metals & Mining	4,151	432	3,719	3,066	837	3,903	7,622
Commercial Real Estate	18,923	7,734	11,189	5,014	293	5,307	16,496
Hotels & Tourism	2,545	1,117	1,428	1,081	105	1,186	2,614
Oil & Gas	7,176	1,070	6,106	7,847	5,319	13,166	19,272
Total	46,730	12,472	34,258	19,908	12,063	31,971	66,229
Total Corporate, Commercial & Institutional Banking	140,603	27,726	112,877	91,191	45,734	136,925	249,802
Total Consumer, Private & Business Banking and other segments	199,497	99,443	100,054	60,863	7,302	68,165	168,219
Total Group	340,100	127,169	212,931	152,054	53,036	205,090	418,021

31.12.20							
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
Industry:							
Aviation ¹	3,839	2,106	1,733	1,321	531	1,852	3,585
Commodity Traders	8,664	318	8,346	2,189	4,459	6,648	14,994
Metals & Mining	3,882	513	3,369	2,850	886	3,736	7,105
Commercial Real Estate	19,090	8,004	11,086	5,283	313	5,596	16,682
Hotels & Tourism	2,557	1,110	1,447	1,185	110	1,295	2,742
Oil & Gas	7,199	1,032	6,167	8,332	5,587	13,919	20,086
Total	45,231	13,083	32,148	21,160	11,886	33,046	65,194
Total Corporate, Commercial & Institutional Banking	133,457	27,561	105,896	92,001	46,725	138,726	244,622
Total Consumer, Private & Business Banking and other segments	192,589	103,886	88,703	61,285	6,857	68,142	156,845
Total Group	326,046	131,447	194,599	153,286	53,582	206,868	401,467

¹ In addition to the aviation sector loan exposures, the Group owns \$3.5 billion (31 December 2020: \$3.9 billion) of aircraft under operating leases.

Risk review continued

Loans and advances by stage

31.03.21												
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
Industry:												
Aviation	2,267	(1)	2,266	1,840	(12)	1,828	241	(62)	179	4,348	(75)	4,273
Commodity Traders	9,255	(1)	9,254	266	(9)	257	810	(659)	151	10,331	(669)	9,662
Metals & Mining	3,431	(2)	3,429	646	(25)	621	211	(110)	101	4,288	(137)	4,151
Commercial Real Estate	16,631	(15)	16,616	2,069	(24)	2,045	459	(197)	262	19,159	(236)	18,923
Hotels & Tourism	1,221	(3)	1,218	1,273	(53)	1,220	155	(48)	107	2,649	(104)	2,545
Oil & Gas	5,871	(7)	5,864	1,215	(68)	1,147	340	(175)	165	7,426	(250)	7,176
Total	38,676	(29)	38,647	7,309	(191)	7,118	2,216	(1,251)	965	48,201	(1,471)	46,730
Total Corporate, Commercial & Institutional Banking	121,259	(79)	121,180	17,059	(483)	16,576	7,212	(4,365)	2,847	145,530	(4,927)	140,603
Total Consumer, Private & Business Banking and other segments	196,916	(420)	196,496	2,375	(201)	2,174	1,506	(679)	827	200,797	(1,300)	199,497
Total Group	318,175	(499)	317,676	19,434	(684)	18,750	8,718	(5,044)	3,674	346,327	(6,227)	340,100

31.12.20												
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
Industry:												
Aviation	2,073	(1)	2,072	1,613	(26)	1,587	258	(78)	180	3,944	(105)	3,839
Commodity Traders	8,067	(3)	8,064	473	(12)	461	799	(660)	139	9,339	(675)	8,664
Metals & Mining	3,128	(3)	3,125	677	(18)	659	210	(112)	98	4,015	(133)	3,882
Commercial Real Estate	15,847	(13)	15,834	3,068	(34)	3,034	408	(186)	222	19,323	(233)	19,090
Hotels & Tourism	1,318	(2)	1,316	1,168	(18)	1,150	138	(47)	91	2,624	(67)	2,557
Oil & Gas	5,650	(7)	5,643	1,548	(69)	1,479	276	(199)	77	7,474	(275)	7,199
Total	36,083	(29)	36,054	8,547	(177)	8,370	2,089	(1,282)	807	46,719	(1,488)	45,231
Total Corporate, Commercial & Institutional Banking	110,993	(95)	110,898	20,004	(487)	19,517	7,652	(4,610)	3,042	138,649	(5,192)	133,457
Total Consumer, Private & Business Banking and other segments	189,459	(453)	189,006	3,006	(254)	2,752	1,562	(731)	831	194,027	(1,438)	192,589
Total Group	300,452	(548)	299,904	23,010	(741)	22,269	9,214	(5,341)	3,873	332,676	(6,630)	326,046

Capital review

Capital ratios

	31.03.21	31.12.20	Change ⁴	31.03.20	Change ⁴
CET1	14.0%	14.4%	(0.4)	13.4%	0.6
Tier 1 capital	16.3%	16.5%	(0.2)	15.1%	1.2
Total capital	21.2%	21.2%	-	19.6%	1.6

CRD Capital base¹

	31.03.21 \$million	31.12.20 \$million	Change ⁴ %	31.03.20 \$million	Change ⁴ %
CET1 instruments and reserves					
Capital instruments and the related share premium accounts	5,545	5,564	-	5,564	-
Of which: share premium accounts	3,989	3,989	-	3,989	-
Retained earnings ²	26,062	25,723	1	26,045	-
Accumulated other comprehensive income (and other reserves)	12,175	12,688	(4)	10,781	13
Non-controlling interests (amount allowed in consolidated CET1)	193	180	7	483	(60)
Independently reviewed interim and year-end profits	1,091	718	52	510	114
Foreseeable dividends	(573)	(481)	19	(283)	102
CET1 capital before regulatory adjustments	44,493	44,392	-	43,100	3
CET1 regulatory adjustments					
Additional value adjustments (prudential valuation adjustments)	(641)	(490)	31	(604)	6
Intangible assets (net of related tax liability) ³	(4,041)	(4,274)	(5)	(4,899)	(18)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(146)	(138)	6	(133)	10
Fair value reserves related to net losses on cash flow hedges	7	52	(87)	130	(95)
Deduction of amounts resulting from the calculation of excess expected loss	(819)	(701)	17	(573)	43
Net gains on liabilities at fair value resulting from changes in own credit risk	59	52	13	(150)	(139)
Defined-benefit pension fund assets	(54)	(40)	35	(55)	(2)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(48)	(48)	-	(298)	(84)
Exposure amounts which could qualify for risk weighting of 1250%	(99)	(26)	281	(51)	94
Total regulatory adjustments to CET1	(5,782)	(5,613)	3	(6,633)	(13)
CET1 capital	38,711	38,779	-	36,467	6
Additional Tier 1 capital (AT1) instruments	6,313	5,632	12	4,640	36
AT1 regulatory adjustments	(20)	(20)	-	(20)	-
Tier 1 capital	45,004	44,391	1	41,087	10
Tier 2 capital instruments	13,557	12,687	7	12,401	9
Tier 2 regulatory adjustments	(30)	(30)	-	(30)	-
Tier 2 capital	13,527	12,657	7	12,371	9
Total capital	58,531	57,048	3	53,458	9
Total risk-weighted assets (unaudited)	276,670	268,834	3	272,653	1

¹ CRD capital is prepared on the regulatory scope of consolidation

² Retained earnings includes IFRS9 capital relief (transitional) of \$294 million, including dynamic relief of \$83 million

³ Deduction for intangible assets includes software deduction relief of \$909 million as the CRR 'Quick Fix' measures

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

⁵ Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Capital review continued

Movement in total capital

	3 months ended 31.03.21 \$million	Year ended 31.12.20 \$million
CET1 at 1 January	38,779	36,513
Ordinary shares issued in the period and share premium	-	-
Share buy-back	(255)	(242)
Profit for the period	1,091	718
Foreseeable dividends deducted from CET1	(573)	(481)
Difference between dividends paid and foreseeable dividends	416	476
Movement in goodwill and other intangible assets	233	1,044
Foreign currency translation differences	(295)	700
Non-controlling interests	13	(543)
Movement in eligible other comprehensive income	(235)	324
Deferred tax assets that rely on future profitability	(8)	(9)
Decrease/(increase) in excess expected loss	(118)	121
Additional value adjustments (prudential valuation adjustment)	(151)	125
IFRS 9 transitional impact on regulatory reserves including day one	(100)	35
Exposure amounts which could qualify for risk weighting	(73)	36
Fair value gains arising from the institution's own credit risk related to derivative liabilities	-	(10)
Other	(13)	(28)
CET1 at 31 March/31 December	38,711	38,779
AT1 at 1 January	5,612	7,164
Net issuances (redemptions)	1,239	(995)
Foreign currency translation difference	2	8
Excess on AT1 grandfathered limit (ineligible)	(560)	(565)
AT1 at 31 March/31 December	6,293	5,612
Tier 2 capital at 1 January	12,657	12,288
Regulatory amortisation	(242)	(463)
Net issuances (redemptions)	645	(69)
Foreign currency translation difference	(101)	257
Tier 2 ineligible minority interest	12	82
Recognition of ineligible AT1	560	565
Other	(4)	(3)
Tier 2 capital at 31 March/31 December	13,527	12,657
Total capital at 31 March/31 December	58,531	57,048

Capital review continued

Risk-weighted assets by business

	31.03.21			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	130,865	16,671	22,640	170,176
Consumer, Private & Business Banking	46,183	8,427	-	54,610
Central & other items	49,741	2,018	125	51,884
Total risk-weighted assets	226,789	27,116	22,765	276,670

	31.12.20			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	127,663	15,963	21,465	165,091
Consumer, Private & Business Banking	44,755	8,338	-	53,093
Central & other items	48,023	2,499	128	50,650
Total risk-weighted assets	220,441	26,800	21,593	268,834

	31.03.20			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	131,366	15,963	21,728	169,057
Consumer, Private & Business Banking	42,193	8,338	-	50,531
Central & other items	49,444	3,502	119	53,065
Total risk-weighted assets	223,003	27,803	21,847	272,653

Risk-weighted assets by geographic region

	31.03.21 \$million	31.12.20 \$million	Change ¹ %	31.03.20 \$million	Change ¹ %
ASIA	178,541	174,283	2	177,754	-
Africa & Middle East	50,640	51,149	(1)	51,414	(2)
Europe & Americas	49,848	45,758	9	45,944	8
Central & other items	(2,359)	(2,356)	-	(2,459)	(4)
Total risk-weighted assets	276,670	268,834	3	272,653	1

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

Capital review continued

Movement in risk-weighted assets

	Credit risk						
	Commercial, Corporate & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Central & other items \$million	Total \$million	Operational risk \$million	Market risk \$million	Total risk \$million
At 31 December 2019	123,667	42,819	49,178	215,664	27,620	20,806	264,090
At 01 January 2020 ¹	123,611	42,875	49,178	215,664	27,620	20,806	264,090
Assets (decline)/growth	(9,743)	520	3,711	(5,512)	-	-	(5,512)
Asset quality	12,190	323	2,409	14,922	-	-	14,922
Risk-weighted assets efficiencies	(71)	-	-	(71)	-	-	(71)
Model, methodology and policy changes	247	134	661	1,042	-	(1,500)	(458)
Disposals	-	-	(7,859)	(7,859)	(1,003)	(159)	(9,021)
Foreign currency translation	1,429	903	(77)	2,255	-	-	2,255
Other non-credit risk movements	-	-	-	-	183	2,446	2,629
At 31 December 2020	127,663	44,755	48,023	220,441	26,800	21,593	268,834
Assets (decline)/growth	3,573	2,031	2,413	8,017	-	-	8,017
Asset quality	502	43	22	567	-	-	567
Risk-weighted assets efficiencies	-	-	(657)	(657)	-	-	(657)
Model, methodology and policy changes	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Foreign currency translation	(873)	(646)	(292)	(1,811)	-	-	(1,811)
Other non-credit risk movements	-	-	232	232	316	1,172	1,720
At 31 March 2021	130,865	46,183	49,741	226,789	27,116	22,765	276,670

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

	31.03.21 \$million	31.12.20 \$million	Change ³ %	31.03.20 \$million	Change ³ %
Tier 1 capital (transitional)	45,004	44,391	1	41,087	10
Additional Tier 1 capital subject to phase out	(557)	(1,114)	(50)	(1,114)	(50)
Tier 1 capital (end point)¹	44,447	43,277	3	39,973	11
Derivative financial instruments	59,872	69,467	(14)	66,757	(10)
Derivative cash collateral	9,860	11,759	(16)	13,070	(25)
Securities financing transactions (SFTs)	69,560	67,570	3	70,269	(1)
Loans and advances and other assets	665,611	640,254	4	614,820	8
Total on-balance sheet assets	804,903	789,050	2	764,916	5
Regulatory consolidation adjustments ²	(65,121)	(60,059)	8	(42,178)	54
Derivatives adjustments					
Derivatives netting	(38,602)	(44,257)	(13)	(39,400)	(2)
Adjustments to cash collateral	(18,260)	(21,278)	(14)	(23,381)	(22)
Net written credit protection	1,999	1,284	56	1,618	24
Potential future exposure on derivatives	47,527	42,410	12	34,961	36
Total derivatives adjustments	(7,336)	(21,841)	(66)	(26,202)	(72)
Counterparty risk leverage exposure measure for SFTs	9,505	4,969	91	10,380	(8)
Off-balance sheet items	129,403	128,167	1	122,763	5
Regulatory deductions from Tier 1 capital	(5,710)	(5,521)	3	(6,184)	(8)
UK leverage exposure (end point)	865,644	834,765	4	823,495	5
UK leverage ratio (end point)⁴	5.1%	5.2%	(0.1)	4.9%	0.2
UK leverage exposure quarterly average	864,008	837,147	3	829,542	4
UK leverage ratio quarterly average	5.1%	5.2%	(0.1)	4.9%	0.2
Countercyclical leverage ratio buffer	0.1%	0.0%	0.1	0.1%	-
G-SII additional leverage ratio buffer	0.4%	0.4%	-	0.4%	-

1 Tier 1 Capital (end point) is adjusted only for Grandfathered Additional Tier 1 instruments

2 Includes adjustment for qualifying central bank claims

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

4 Change is the percentage point difference two periods, rather than percentage change

Financial statements

Condensed consolidated interim income statement

For the three months ended 31 March 2021

	3 months ended 31.03.21 \$million	3 months ended 31.03.20 \$million
Interest income	2,532	3,746
Interest expense	(874)	(1,907)
Net interest income	1,658	1,839
Fees and commission income	1,181	1,010
Fees and commission expense	(168)	(148)
Net fee and commission income	1,013	862
Net trading income	999	1,138
Other operating income	269	496
Operating income	3,939	4,335
Staff costs	(1,826)	(1,633)
Premises costs	(89)	(90)
General administrative expenses	(320)	(347)
Depreciation and amortisation	(293)	(298)
Operating expenses	(2,528)	(2,368)
Operating profit before impairment losses and taxation	1,411	1,967
Credit impairment	(17)	(962)
Goodwill, property, plant and equipment and other impairment	(28)	(166)
Profit from associates and joint ventures	47	47
Profit before taxation	1,413	886
Taxation	(314)	(369)
Profit for the period	1,099	517
Profit attributable to:		
Non-controlling interests	7	7
Parent company shareholders	1,092	510
Profit for the period	1,099	517
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	32.6	15.0
Diluted earnings per ordinary share	32.1	14.8

Financial statements continued

Condensed consolidated interim statement of comprehensive income

For the three months ended 31 March 2021

	3 months ended 31.03.21 \$million	3 months ended 31.03.20 \$million
Profit for the period	1,099	517
Other comprehensive (loss)/income		
Items that will not be reclassified to income statement:	177	253
Own credit (losses)/gains on financial liabilities designated at fair value through profit or loss	(9)	175
Equity instruments at fair value through other comprehensive income	117	27
Actuarial gains on retirement benefit obligations	79	83
Taxation relating to components of other comprehensive income	(10)	(32)
Items that may be reclassified subsequently to income statement:	(632)	(1,106)
Exchange differences on translation of foreign operations:		
Net losses taken to equity	(414)	(1,109)
Net gains on net investment hedges	119	170
Share of other loss from associates and joint ventures	(4)	-
Debt instruments at fair value through other comprehensive income:		
Net valuation (losses)/gains taken to equity	(303)	244
Reclassified to income statement	(126)	(326)
Net impact of expected credit losses	2	9
Cash flow hedges:		
Net gains/(losses) taken to equity	37	(104)
Reclassified to income statement	15	4
Taxation relating to components of other comprehensive income	42	6
Other comprehensive loss for the year, net of taxation	(455)	(853)
Total comprehensive income/(loss) for the period	644	(336)
Total comprehensive income/(loss) attributable to:		
Non-controlling interests	9	(5)
Parent company shareholders	635	(331)
Total comprehensive income/(loss) for the period	644	(336)

Financial statements continued

Condensed consolidated interim balance sheet

As at 31 March 2021

	31.03.21 \$million	31.12.20 \$million
Assets		
Cash and balances at central banks	72,215	66,712
Financial assets held at fair value through profit or loss	105,852	106,787
Derivative financial instruments	59,872	69,467
Loans and advances to banks	48,016	44,347
Loans and advances to customers	292,084	281,699
Investment securities	157,314	153,315
Other assets	51,890	48,688
Current tax assets	562	808
Prepayments and accrued income	2,027	2,122
Interests in associates and joint ventures	2,205	2,162
Goodwill and intangible assets	5,072	5,063
Property, plant and equipment	6,126	6,515
Deferred tax assets	895	919
Assets classified as held for sale	773	446
Total assets	804,903	789,050
Liabilities		
Deposits by banks	30,521	30,255
Customer accounts	441,684	439,339
Repurchase agreements and other similar secured borrowing	6,107	1,903
Financial liabilities held at fair value through profit or loss	74,782	68,373
Derivative financial instruments	59,351	71,533
Debt securities in issue	60,973	55,550
Other liabilities	56,628	47,904
Current tax liabilities	538	660
Accruals and deferred income	3,702	4,546
Subordinated liabilities and other borrowed funds	16,924	16,654
Deferred tax liabilities	613	695
Provisions for liabilities and charges	431	466
Retirement benefit obligations	374	443
Total liabilities	752,628	738,321
Equity		
Share capital and share premium account	7,039	7,058
Other reserves	12,175	12,688
Retained earnings	26,952	26,140
Total parent company shareholders' equity	46,166	45,886
Other equity instruments	5,757	4,518
Total equity excluding non-controlling interests	51,923	50,404
Non-controlling interests	352	325
Total equity	52,275	50,729
Total equity and liabilities	804,903	789,050

Financial statements continued

Condensed consolidated statement of changes in equity

For the three months ended 31 March 2021

	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 1 January 2020	5,584	1,494	17,187	2	197	150	(59)	(5,792)	26,072	44,835	5,513	313	50,661
Profit for the period	-	-	-	-	-	-	-	-	724	724	-	27	751
Other comprehensive (loss)/income	-	-	-	(54)	332	(2)	7	631	11 ²	925	-	(12)	913
Distributions	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	992	-	992
Redemption of other equity instruments	-	-	-	-	-	-	-	-	(13)	(13)	(1,987)	-	(2,000)
Treasury shares purchased	-	-	-	-	-	-	-	-	(98)	(98)	-	-	(98)
Treasury shares issued	-	-	-	-	-	-	-	-	8	8	-	-	8
Share option expense, net of taxation	-	-	-	-	-	-	-	-	133	133	-	-	133
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(395)	(395)	-	-	(395)
Share buy-back ³	(20)	-	20	-	-	-	-	-	(242)	(242)	-	-	(242)
Other movements	-	-	-	-	-	-	-	69	(60) ⁴	9	-	17 ⁵	26
As at 31 December 2020	5,564	1,494	17,207	(52)	529	148	(52)	(5,092)	26,140	45,886	4,518	325	50,729
Profit for the period	-	-	-	-	-	-	-	-	1,092	1,092	-	7	1,099
Other comprehensive (loss)/income	-	-	-	(7)	(380)	105	45	(295)	75 ²	(457)	-	2	(455)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	1,239	-	1,239
Treasury shares purchased	-	-	-	-	-	-	-	-	(85)	(85)	-	-	(85)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	50	50	-	-	50
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(65)	(65)	-	-	(65)
Share buy-back ⁶	(19)	-	19	-	-	-	-	-	(255)	(255)	-	-	(255)
Other movements	-	-	-	-	-	-	-	-	-	-	-	20 ⁷	20
As at 31 March 2021	5,545	1,494	17,226	(59)	149	253	(7)	(5,387)	26,952	46,166	5,757	352	52,275

1 Includes capital reserve of \$5 million, capital redemption reserve of \$110 million and merger reserve of \$17,111 million

2 Comprises actuarial loss, net of taxation, and share from associates and joint ventures \$75 million (\$11 million for the year ended 31 December 2020)

3 On 28 February 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 per cent 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 31 March 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

4 Includes \$69 million related to prior period adjustments to reclass FX movements from translation reserve to retained earnings (\$45 million related to FX movements of the hedging instruments for net investment hedges and \$24 million related to FX movements for monetary items, which were considered structural positions), and \$9 million increase related to revenue reserves of PT Bank Permata Tbk

5 Movement related to non-controlling interest from Mox Bank Limited

6 On 25 February 2021, 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 \$19 million, and the total consideration paid was \$255 million (including \$1 million of fees). The total number of shares purchased was 37,148,399 representing 1.18 per cent of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

7 Movement related to non-controlling interest from Mox Bank Limited

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 three months ended 31 March 2021. 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 the Group's accounting policies. The Group's significant accounting policies are described in the Annual Report 2020, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union (EU). The Group's Annual Report 2021 will be prepared in accordance with United Kingdom (UK) adopted international accounting standards.

The interim financial information does not constitute a full or condensed set of financial statements under IAS 34 'Interim Financial Reporting' as contained in UK-adopted international accounting standards. The interim financial information has been prepared in accordance with the recognition and measurement principles, but not the disclosure requirements under UK-adopted international accounting standards.

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 2020, 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 of twelve months from the date of approval 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

3 months ended 31.03.21					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	21,459	53,521	19	0.14	0.10
Gross loans and advances to banks	23,919	52,248	148	1.15	0.79
Gross loans and advances to customers	50,958	299,535	1,845	2.50	2.13
Impairment provisions against loans and advances to banks and customers	-	(6,654)	-	-	-
Investment securities	31,704	157,681	520	1.34	1.11
Property, plant and equipment and intangible assets	9,120	-	-	-	-
Prepayments, accrued income and other assets	117,035	-	-	-	-
Investment associates and joint ventures	2,213	-	-	-	-
Total average assets	256,408	556,331	2,532	1.85	1.26

3 months ended 31.12.20					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	21,562	48,642	20	0.16	0.11
Gross loans and advances to banks	26,085	52,334	155	1.18	0.79
Gross loans and advances to customers	53,758	297,520	1,895	2.53	2.15
Impairment provisions against loans and advances to banks and customers	-	(7,077)	-	-	-
Investment securities	29,915	147,218	618	1.67	1.39
Property, plant and equipment and intangible assets	8,453	-	-	-	-
Prepayments, accrued income and other assets	123,843	-	-	-	-
Investment associates and joint ventures	2,134	-	-	-	-
Total average assets	265,750	538,637	2,688	1.99	1.33

3 months ended 31.03.20					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	16,576	31,795	53	0.67	0.44
Gross loans and advances to banks	28,389	57,106	321	2.26	1.51
Gross loans and advances to customers	50,852	284,841	2,510	3.54	3.01
Impairment provisions against loans and advances to banks and customers	-	(5,692)	-	-	-
Investment securities	29,007	142,622	862	2.43	2.02
Property, plant and equipment and intangible assets	9,895	-	-	-	-
Prepayments, accrued income and other assets	103,766	-	-	-	-
Investment associates and joint ventures	2,228	-	-	-	-
Total average assets	240,713	510,672	3,746	2.95	2.01

Other supplementary financial information continued

Average liabilities

	3 months ended 31.03.21				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	16,816	31,562	27	0.35	0.23
Customer accounts:					
Current accounts and savings deposits	48,825	252,807	186	0.30	0.25
Time and other deposits	53,391	148,789	375	1.02	0.75
Debt securities in issue	5,967	59,388	151	1.03	0.94
Accruals, deferred income and other liabilities	122,026	1,081	13	4.88	0.04
Subordinated liabilities and other borrowed funds	-	15,998	122	3.09	3.09
Non-controlling interests	338	-	-	-	-
Shareholders' funds	51,163	-	-	-	-
	298,526	509,625	874	0.70	0.44
Adjustment for Financial Markets funding costs			(35)		
Financial guarantee fees on interest earning assets			23		
Total average liabilities and shareholders' funds	298,526	509,625	862	0.69	0.43

	3 months ended 31.12.20				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	16,303	30,073	(34)	(0.45)	(0.29)
Customer accounts:					
Current accounts and savings deposits	48,512	247,796	145	0.23	0.19
Time and other deposits	58,905	143,801	503	1.39	0.99
Debt securities in issue	6,287	52,087	166	1.27	1.13
Accruals, deferred income and other liabilities	131,307	1,065	14	5.23	0.04
Subordinated liabilities and other borrowed funds	-	15,956	139	3.47	3.47
Non-controlling interests	349	-	-	-	-
Shareholders' funds	50,244	-	-	-	-
	311,908	490,777	933	0.76	0.46
Adjustment for Financial Markets funding costs			(25)		
Financial guarantee fees on interest earning assets			104		
Total average liabilities and shareholders' funds	311,908	490,777	1,012	0.82	0.50

Other supplementary financial information continued

	3 months ended 31.03.20				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	18,354	27,517	149	2.18	1.31
Customer accounts:					
Current accounts and savings deposits	40,220	204,412	479	0.94	0.79
Time and other deposits	58,635	161,324	854	2.13	1.56
Debt securities in issue	8,275	54,010	245	1.82	1.58
Accruals, deferred income and other liabilities	108,023	1,246	-	0.00	0.00
Subordinated liabilities and other borrowed funds	-	16,040	180	4.51	4.51
Non-controlling interests	310	-	-	-	-
Shareholders' funds	50,023	-	-	-	-
	283,840	464,549	1,907	1.65	1.02
Adjustment for Financial Markets funding costs			(92)		
Financial guarantee fees on interest earning assets			-		
Total average liabilities and shareholders' funds	283,840	464,549	1,815	1.57	0.98

CONTACT INFORMATION

Global headquarters

Standard Chartered Group
1 Basinghall Avenue
London, EC2V 5DD
United Kingdom

telephone: +44 (0)20 7885 8888

facsimile: +44 (0)20 7885 9999

Shareholder enquiries

ShareCare information

website: sc.com/shareholders

helpline: +44 (0)370 702 0138

ShareGift information

website: ShareGift.org

helpline: +44 (0)20 7930 3737

Registrar information

UK

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ
helpline: +44 (0)370 702 0138

Hong Kong

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

website: computershare.com/hk/investors

Chinese translation

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Register for electronic communications

website: investorcentre.co.uk

For further information, please contact:

Gregg Powell, Head of Investor Relations

+852 2820 3050

LSE Stock code: STAN.LN

HKSE Stock code: 02888