

Standard Chartered PLC

3Q'23 Results

26 October 2023

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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 context requires within the 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, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, Mainland China, Hong Kong, Japan, Korea, Macau, Taiwan; Africa and Middle East (AME) includes Angola, Bahrain, Botswana, Cameroon, Côte d'Ivoire, Egypt, The Gambia, Iraq, Kenya, Lebanon, Mauritius, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Sierra Leone, South Africa, Tanzania, UAE, Uganda, Zambia, Zimbabwe; and Europe and Americas (EA) include 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, and is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC. Stock codes are: LSE:STAN.LN and HKSE:02888.

Standard Chartered PLC – results for the third quarter ended 30 September 2023

continued

All figures are presented on an underlying basis and comparisons are made to 2022 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on pages 29-34.

Bill Winters, Group Chief Executive, said:

"We have continued to make strong progress in the third quarter against the five strategic actions outlined last year, delivering a solid set of results. Wealth Management has continued its recovery with double digit income growth and the Financial Markets performance has been resilient against a strong comparator period. We remain highly liquid, and well capitalised, with a CET1 ratio towards the top of our target range and confident in the delivery of our 2023 financial targets, including a return on tangible equity of 10%."

Selected information on 3Q'23 financial performance with comparisons to 3Q'22 unless otherwise stated

- Return on tangible equity ("RoTE") of 7.0%, down 2%pts year-on-year ("YoY"), primarily due to a higher tax charge in 3Q'23
- Income up 6% to \$4.4bn, up 7% YoY at constant currency ("ccy")
 - Net interest income ("NII") up 20% at ccy to \$2.4bn; Other income down 5% at ccy to \$2.0bn
 - Normalised net interest margin ("NIM") 1.67%, a transient reduction of 4bps since 2Q'23; reported NIM 1.63%, including 4bps from one-offs
 - Financial Markets ("FM") down 8% at ccy, down 6% excluding \$28m gain on mark-to-market ("MTM") liabilities in 3Q'22
 - Wealth Management ("WM") up 18% at ccy, supported by continued strong Affluent client onboarding
- Expenses increased 8% YoY at ccy to \$2.8bn; down \$56m or 2% quarter-on-quarter ("QoQ")
 - Increase due to inflation, business growth and targeted investments, partially funded by productivity saves
- Credit impairment charge of \$294m, up \$62m YoY, up \$148m QoQ; includes China Commercial Real Estate (CRE) charge of \$186m, of which \$42m related to the management overlay, now \$178m
- Underlying profit before tax of \$1.3bn, down 2%
- Reduction in China Bohai Bank ("Bohai") value-in-use calculation led to an impairment charge of \$0.7bn reflecting subdued 2Q'23 Bohai earnings and challenging macroeconomic outlook; 18bps impact on the CET1 ratio
- Tax charge of \$494m: underlying effective tax rate of 38%, up 14%pts reflecting profit mix and increased losses in the United Kingdom where we cannot recognise a tax benefit
- The Group's balance sheet remains strong, liquid and well diversified
 - Customer loans and advances of \$281bn, down \$9bn or 3% since 30.06.23; up \$2bn or 1% on an underlying basis
 - Customer deposits of \$453bn, down \$17bn or 3% since 30.06.23; down \$14bn or 3% at ccy; managing liquidity coverage ratio (LCR) and business as usual outflows in Transaction Banking Cash
 - LCR 156% (30.06.23: 164%); Advances-to-deposit ratio 54.5% (30.06.23: 53.6%)
- RWA of \$242bn, down \$8bn or 3% since 30.06.23
 - Credit risk RWA down \$9bn, primarily from optimisation and efficiency actions, and China Bohai Bank impairment
 - Market risk RWA up \$1bn and Operational RWA stable
- The Group remains strongly capitalised
 - CET1 ratio 13.9% (30.06.23: 14.0%), towards the top end of 13-14% target range
 - ~\$1.8bn of the \$2bn buy-backs announced in 2023 completed

Selected information on YTD'23 financial performance with comparisons to YTD'22 unless otherwise stated

- RoTE of 10.4%, up 1%pt YoY
- Income up 11% to \$13.4bn, up 15% YoY at ccy
 - NII up 30% at ccy to \$7.2bn; Other income up 1% to \$6.2bn
 - NIM up 30bps YoY to 1.66% YTD'23
 - FM flat at ccy, up 7% excluding non-repeat of \$244m gain on MTM liabilities in YTD22; WM up 9% at ccy

Standard Chartered PLC – results for the third quarter ended 30 September 2023

continued

- Expenses up 8%, 11% at ccy; increase due to inflation, business growth and targeted investments partially funded by gross productivity saves
 - Positive 4% income-to-cost jaws YTD, with cost-to-income ratio improving 2% pts to 62%
- Credit impairment charge of \$466m, down \$30m YoY
 - Annualised loan-loss loss rate of 20bps, down 2bps YoY
 - China CRE portfolio Expected Credit Loss provisions \$1.1bn on Stage 3 exposures of \$1.4bn; cover ratio including collateral 88%
- Underlying profit before tax of \$4.6bn, up 19% at ccy
- Underlying earnings per share (EPS) increased from 89.6 cents or 10% to 98.4 cents; Reported EPS down 21% to 74.9 cents

Update on strategic actions for YTD'23 unless otherwise stated

- Drive improved returns in CCIB: Income RoRWA of 7.9%, ahead of 2024 target of 6.5%; ~ \$22bn RWA optimised since 1.1.22, nearly achieved \$22bn target over a year ahead of plan
- Transform profitability in CPBB: Cost-to-income ratio of 58%, improved by 11%pts YoY, ahead of 2024 target of 60%; \$0.3bn of gross expense savings since 1.1.22
- Seize China opportunity: China onshore and offshore profit before tax up ~3x YoY to \$1.0bn
- Create operational leverage: \$0.7bn gross productivity saves since 1.1.22; Cost-to-income ratio improved by 2%pts YoY to 62%
- Deliver substantial shareholder returns: \$3.9bn of total returns announced since 1.1.22

Other highlights

- Aviation exit: announced the sale of our global aviation business in August, with the transaction expected to be completed by the end of the year and increase CET1 ratio by 19bps in the fourth quarter

Outlook

We remain confident in the delivery of our RoTE targets, supported by continued strong progress on our five strategic actions.

For 2023 our guidance is as follows:

- Income to increase in the 12-14% range at ccy
- Full year average NIM to approach 170bps
- Underlying asset growth in the low single digit percentage range in 2H'23 (from 30.6.23)
- RWA to be similar to 31.12.22
- Positive income-to-cost jaws of around 4%, excluding the UK bank levy at ccy
- Full year loan loss rate to be in the range of 17-25 bps
- Underlying effective tax rate expected to be around 30%
- Operate dynamically within the full 13-14% CET1 target range
- RoTE of 10%

All 2024 guidance remains unchanged. We continue to expect income growth to be in the 8-10% range at ccy and we remain confident of achieving greater than 11% RoTE.

Statement of results

	3 months ended 30.09.23 \$million	3 months ended 30.09.22 \$million	Change ¹ %
Underlying performance²			
Operating income	4,403	4,138	6
Operating expenses (including UK bank levy)	(2,770)	(2,576)	(8)
Credit impairment	(294)	(232)	(27)
Other impairment	(26)	–	nm ⁸
Profit from associates and joint ventures	3	16	(81)
Profit before taxation	1,316	1,346	(2)
Profit/(loss) attributable to ordinary shareholders ³	644	915	(30)
Return on ordinary shareholders' tangible equity (%)	7.0	9.4	(240)bps
Cost to income ratio (excluding bank levy) (%)	62.9	62.3	(60)bps
Reported performance⁹			
Operating income	4,523	4,329	4
Operating expenses	(2,870)	(2,696)	(6)
Credit impairment	(292)	(227)	(29)
Other impairment	(734)	(31)	nm ⁸
Profit from associates and joint ventures	6	16	(63)
Profit before taxation	633	1,391	(54)
Taxation	(494)	(313)	(58)
Profit for the period	139	1,078	(87)
Profit/(loss) attributable to parent company shareholders	145	1,087	(87)
Profit/(loss) attributable to ordinary shareholders ³	(35)	964	(104)
Return on ordinary shareholders' tangible equity (%)	(0.4)	10.5	(1,090)bps
Cost to income ratio (including bank levy) (%)	63.5	62.3	(120)bps
Net interest margin (%) (adjusted) ⁷	1.63	1.43	(20)bps
Balance sheet and capital	30.09.23 \$million	30.09.22 \$million	Change %
Total assets	825,833	864,435	(4)
Total equity	48,356	50,003	(3)
Average tangible equity attributable to ordinary shareholders	35,693	36,569	(2)
Loans and advances to customers	281,009	298,390	(6)
Customer accounts	453,157	447,259	1
Risk weighted assets	241,506	252,293	(4)
Total capital	51,112	53,491	(4)
Total capital (%)	21.2	21.2	0bps
Common Equity Tier 1	33,569	34,504	(3)
Common Equity Tier 1 ratio (%)	13.9	13.7	20bps
Advances-to-deposits ratio (%) ⁴	54.5	58.1	(3.6)
Liquidity coverage ratio (%)	156.3	156.0	nm ⁸
Leverage ratio (%)	4.7	4.8	(10)bps
Information per ordinary share	Cents	Cents	Change %
Earnings per share – underlying ⁵	23.2	31.0	(7.8)
– reported ⁵	(1.3)	32.7	(34.0)
Net asset value per share	1,504	1,433	71
Tangible net asset value per share ⁶	1,283	1,243	40
Number of ordinary shares at period end (millions)	2,725	2,905	(6)

1 Variance is better/(worse) other than assets, liabilities and risk-weighted assets. Change is percentage points difference between two points rather than percentage change for total capital ratio (%), common equity tier 1 ratio (%), net interest margin (%), advances-to-deposits ratio (%), liquidity coverage ratio (%), leverage ratio (%), cost-to-income ratio (%) and return on ordinary shareholders' tangible equity (%). Change is cents difference between two points rather than percentage change for earnings per share, net asset value per share and tangible net asset value per share

2 Underlying performance for relevant periods in 2022 has been restated for removal of (i) AME exits (ii) Aviation Finance and (iii) DVA. No change to reported performance

3 Profit 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

4 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 include customer accounts held at fair value through profit or loss

5 Represents the underlying or reported earnings divided by the basic weighted average number of shares. Prior period refers to 9 months ended 30.09.22

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

7 Net interest margin is calculated as adjusted net interest income divided by average interest-earning assets, annualised

8 Not meaningful

9 Reported performance/results within this interim financial report means amounts reported under UK-adopted IAS and EU IFRS. In prior periods Reported performance/results were described as Statutory performance/results

Group Chief Financial Officer's review

The Group delivered a solid performance in the third quarter of 2023

Summary of financial performance

	3Q'23 \$million	3Q'22 ³ \$million	Change %	Constant currency change ¹ %	2Q'23 \$million	Change %	Constant currency change ¹ %	YTD'23 \$million	YTD'22 ³ \$million	Change %	Constant currency change ¹ %
Underlying net interest income ⁴	2,388	2,017	18	20	2,436	(2)	(2)	7,165	5,711	25	30
Underlying other income ⁴	2,015	2,121	(5)	(5)	2,119	(5)	(4)	6,189	6,286	(2)	1
Underlying operating income	4,403	4,138	6	7	4,555	(3)	(3)	13,354	11,997	11	15
Other operating expenses	(2,770)	(2,576)	(8)	(8)	(2,826)	2	1	(8,271)	(7,677)	(8)	(11)
UK bank levy	–	–	nm ⁶	nm ⁶	(3)	100	100	(3)	5	(160)	(160)
Underlying operating expenses	(2,770)	(2,576)	(8)	(8)	(2,829)	2	1	(8,274)	(7,672)	(8)	(11)
Underlying operating profit before impairment and taxation	1,633	1,562	5	6	1,726	(5)	(5)	5,080	4,325	17	21
Credit impairment	(294)	(232)	(27)	(37)	(146)	(101)	(101)	(466)	(496)	6	2
Other impairment	(26)	–	nm ⁶	nm ⁶	(63)	59	60	(89)	(1)	nm ⁶	nm ⁶
Profit from associates and joint ventures	3	16	(81)	(80)	83	(96)	(96)	97	169	(43)	(42)
Underlying profit before taxation	1,316	1,346	(2)	(2)	1,600	(18)	(17)	4,622	3,997	16	19
Restructuring	(7)	(10)	30	75	8	(188)	(200)	49	(9)	nm ⁶	nm ⁶
Goodwill & other impairment ⁵	(697)	–	nm ⁶	nm ⁶	–	nm ⁶	nm ⁶	(697)	–	nm ⁶	nm ⁶
DVA	21	55	(62)	(63)	(93)	123	123	(18)	175	(110)	(110)
Reported profit before taxation	633	1,391	(54)	(54)	1,515	(58)	(57)	3,956	4,163	(5)	(2)
Taxation	(494)	(313)	(58)	(65)	(474)	(4)	(5)	(1,432)	(997)	(44)	(57)
Profit for the period	139	1,078	(87)	(87)	1,041	(87)	(86)	2,524	3,166	(20)	(19)
Net interest margin (%) ²	1.63	1.43	20		1.71	(8)		1.66	1.36	30	
Underlying return on tangible equity (%) ²	7.0	9.4	(240)		12.1	(511)		10.4	9.3	110	
Underlying earnings per share (cents)	23.2	31.0	(25)		37.3	(38)		98.4	89.6	10	

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. Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance
4. To be consistent with how we compute Net Interest Margin (NIM), and to align with the way we manage our business, we have changed our definition of Underlying Net Interest Income (NII) and Underlying Other Income (OI). The adjustments made to NIM, including interest expense relating to funding our trading book, will now be shown against Underlying Other Income rather than Underlying NII. Prior periods have been restated. There is no impact on total income
5. Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)
6. Not meaningful

Group Chief Financial Officer's review continued

Reported financial performance summary

	3Q'23 \$million	3Q'22 \$million	Change %	Constant currency change ¹ %	2Q'23 \$million	Change %	Constant currency change ¹ %	YTD'23 \$million	YTD'22 \$million	Change %	Constant currency change ¹ %
Net interest income	1,925	1,932	–	2	1,978	(3)	(2)	5,909	5,570	6	10
Other income	2,598	2,397	8	9	2,589	–	2	7,741	6,984	11	14
Reported operating income	4,523	4,329	4	6	4,567	(1)	–	13,650	12,554	9	12
Reported operating expenses	(2,870)	(2,696)	(6)	(8)	(2,918)	2	1	(8,538)	(8,024)	(6)	(9)
Reported operating profit before impairment and taxation	1,653	1,633	1	3	1,649	–	1	5,112	4,530	13	17
Credit impairment	(292)	(227)	(29)	(40)	(141)	(107)	(106)	(453)	(490)	8	3
Goodwill & other impairment	(734)	(31)	nm ³	nm ³	(77)	nm ³	nm ³	(811)	(46)	nm ³	nm ³
Profit from associates and joint ventures	6	16	(63)	(63)	84	(93)	(93)	108	169	(36)	(36)
Reported profit before taxation	633	1,391	(54)	(54)	1,515	(58)	(57)	3,956	4,163	(5)	(2)
Taxation	(494)	(313)	(58)	(65)	(474)	(4)	(5)	(1,432)	(997)	(44)	(57)
Profit/(loss) for the period	139	1,078	(87)	(87)	1,041	(87)	(86)	2,524	3,166	(20)	(19)
Reported return on tangible equity (%) ²	(0.4)	10.5	(1,090)		10.8	(1,120)		7.8	10.1	(230)	
Reported earnings per share (cents)	(1.3)	32.7	(104)		34.8	(104)		74.9	94.8	(21)	

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 solid performance in the third quarter of 2023, supported by strong progress on the five strategic actions. The Group's underlying profit before tax of \$1.3 billion was 2 per cent lower than in the prior year. Income grew 7 per cent on a constant currency basis with a 20 per cent increase in net interest income partly offset by a 5 per cent reduction in other income. Expenses increased 8 per cent at constant currency but were down 1 per cent compared to the previous quarter. The credit impairment charges in the quarter of \$294 million included further charges relating to the China commercial real estate sector. The Group reduced the carrying value of its investment in China Bohai Bank by \$697 million resulting in reported profit before tax declining by half to \$633 million, with an 18 basis points impact to the CET1 ratio. The Group remains well capitalised and highly liquid with a CET1 ratio of 13.9 per cent, an advances-to-deposits ratio of 55 per cent, and a liquidity coverage ratio of 156 per cent.

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2022 on a reported currency basis, unless otherwise stated.

- Operating income of \$4.4 billion was up 6 per cent in the third quarter and increased 7 per cent on a constant currency basis, as the Group benefited from a year-on-year increase in the net interest margin and a strong recovery in Wealth Management income
- Underlying net interest income increased 18 per cent, or 20 per cent on a constant currency basis as the net interest margin increased 14 per cent or 20 basis points. This was despite a year-on-year incremental 12 basis points drag from hedges. Over the past year, the Group increased its pricing on assets and the yield on its Treasury portfolio more quickly than it repriced its liability base, reflecting strong pricing discipline and passthrough rate management albeit the rate paid increased more quickly than the gross yield on assets during the quarter
- Underlying other income decreased 5 per cent as Financial Markets income was lower on the back of reduced market volatility and the non-repeat of \$28 million of gains on mark-to-market liabilities in the third quarter of 2022. This was partly offset by strong growth in Wealth Management income, which continues to benefit from strong Affluent client onboarding and positive net new money
- Operating expenses increased 8 per cent reflecting the impact of the Group's continuing investment into business growth initiatives and strategic investments, and higher inflation partly offset by cost efficiency actions. The Group generated 1 per cent negative income-to-cost jaws while the cost-to-income ratio increased 1 percentage point to 63 per cent
- Credit impairment was a \$294 million charge in the quarter, a \$62 million increase on the third quarter of 2022, and double the amount booked in the prior quarter. Impairment charges in the quarter include \$186 million in relation to the China commercial real estate sector and \$115m in relation to the Consumer, Private and Business Banking portfolio. The year-to-date loan loss rate annualises to 20 basis points

Group Chief Financial Officer's review continued

- Profit from associates and joint ventures decreased \$13 million to \$3 million due to lower profits at China Bohai Bank (Bohai)
- Restructuring and other items totalled \$683 million in the quarter. The largest item was an impairment charge of \$697 million reflecting a reduction in the carrying value of the Group's investment in Bohai following a refresh of the value-in-use calculation. Restructuring charges of \$7 million primarily reflect redundancy and property optimisation charges partly offset by the profit from Aviation Finance and Principal Finance while movements in Debit Valuation Adjustment (DVA) were a positive \$21 million
- Taxation was \$494 million on a reported basis, with an underlying year-to-date effective tax rate of 31 per cent compared to the prior year rate of 25 per cent reflecting a change in the geographic mix of profits and increased losses in the United Kingdom where we cannot recognise a tax benefit
- Underlying return on tangible equity (RoTE) decreased by 240 basis points to 7.0 per cent primarily due to a higher effective tax rate partly offset by lower tangible equity benefitting from distributions to shareholders. On a reported basis, return on tangible equity was a negative 40 basis points

Operating income by product

	3Q'23 \$million	3Q'22 ²³ \$million	Change %	Constant currency change ¹ %	2Q'23 \$million	Change %	Constant currency change ¹ %	YTD'23 \$million	YTD22 ²³ \$million	Change %	Constant currency change ¹ %
Transaction Banking	1,496	1,067	40	42	1,461	2	2	4,356	2,620	66	71
Trade & Working capital	325	335	(3)	(2)	334	(3)	(3)	990	1,027	(4)	(1)
Cash Management	1,171	732	60	61	1,127	4	4	3,366	1,593	111	117
Financial Markets	1,253	1,386	(10)	(8)	1,391	(10)	(8)	4,058	4,198	(3)	–
Macro Trading	634	736	(14)	(11)	825	(23)	(22)	2,289	2,337	(2)	2
Credit Markets	472	455	4	4	462	2	4	1,394	1,325	5	8
Credit Trading	137	152	(10)	(7)	140	(2)	1	449	341	32	39
Financing Solutions & Issuance ³	335	303	11	10	322	4	5	945	984	(4)	(2)
Financing & Securities Services ³	147	195	(25)	(24)	104	41	42	375	536	(30)	(29)
Lending & Portfolio Management	121	164	(26)	(26)	132	(8)	(8)	387	446	(13)	(10)
Wealth Management	526	454	16	18	495	6	7	1,532	1,438	7	9
Retail Products	1,279	1,099	16	17	1,240	3	4	3,731	2,880	30	33
CCPL & other unsecured lending	297	298	–	2	286	4	5	873	908	(4)	–
Deposits	919	620	48	50	848	8	9	2,538	1,216	109	115
Mortgage & Auto	31	140	(78)	(78)	74	(58)	(57)	219	621	(65)	(64)
Other Retail Products	32	41	(22)	(19)	32	–	3	101	135	(25)	(22)
Treasury	(274)	(5)	nm ⁴	nm ⁴	(160)	(71)	(70)	(667)	510	nm ⁴	nm ⁴
Other	2	(27)	107	78	(4)	150	–	(43)	(95)	55	36
Total underlying operating income	4,403	4,138	6	7	4,555	(3)	(3)	13,354	11,997	11	15

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 Underlying income for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

3 Shipping Finance is now reported under "Financing Solutions & Issuance" which was reported under "Financing & Securities Services" in Q1'23

4 Not meaningful

The operating income by product commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2022 on a constant currency basis, unless otherwise stated.

Transaction Banking income increased 42 per cent. Cash Management income was 61 per cent higher reflecting strong pricing discipline and passthrough rate management to take advantage of a rising interest rate environment. Trade & Working Capital decreased 2 per cent reflecting lower balance sheet and contingent volumes partly offset by higher margins as the Group focused on higher-returning trade products.

Financial Markets income was 8 per cent lower compared to a very strong third quarter performance last year and was down 6 per cent excluding the non-repeat of prior year fair value gains on mark-to-market liabilities. There was 3 per cent growth in flow income which was more than offset by a 28 per cent reduction in episodic income, driven by subdued market volatility and the non-repeat of the gains on mark-to-market liabilities. Macro Trading was down 11 per cent with double-digit declines in FX and Commodities.

Group Chief Financial Officer's review continued

Credit Markets income was up 4 per cent with lower Credit Trading income offset by higher Financing Solutions & Issuance, with the closure of a number of financing deals and strong origination volumes in primary markets leading to market share gains. Excluding the non-repeat of \$28 million of gains on mark-to-market liabilities, Financing & Security Services income was down 14 per cent as higher Securities Services income benefiting from rising interest rates was more than offset by adverse movements in XVA.

Lending and Portfolio Management income decreased 26 per cent with an increase in losses in relation to portfolio management activities, and a decline in lending income from lower volumes, and increased cost of funding on undrawn commitments.

Wealth Management income grew 18 per cent with strong double-digit growth across Bancassurance, up 30 per cent and Treasury Products up 14 per cent, partly offset by lower income from managed investments. There was continued strong growth in net new money, which offset adverse market movements as Wealth Management AUM remained broadly stable.

Retail Products income increased 17 per cent. Deposit income was up 50 per cent due to low passthrough rates in a rising interest rate environment partly offset by migration from CASA into time deposits. Mortgages & Auto income decreased 78 per cent on the back of lower volumes and the impact of the Best Lending Rate cap in Hong Kong restricting the ability to reprice mortgages, despite an increase in funding costs from higher interest rates. Credit Cards & Personal Loans income increased 2 per cent reflecting growth in balances in both Credit Cards and Personal Loans.

Treasury income was a \$274 million loss in the quarter primarily due to the \$267 million loss from structural and short-term hedges in a rising interest environment and costs for holding additional liquidity centrally rather than it being recharged out to the products. This was in part offset by gains from RoTE-accretive cross-currency FX swaps which were funded by deposits.

Profit before tax by client segment and geographic region

	3Q'23 \$million	3Q'22 ² \$million	Change %	Constant currency change ¹ %	2Q'23 \$million	Change %	Constant currency change ¹ %	YTD'23 \$million	YTD'22 ² \$million	Change %	Constant currency change ¹ %
Corporate, Commercial & Institutional Banking	1,255	1,209	4	5	1,430	(12)	(11)	4,170	3,019	38	44
Consumer, Private & Business Banking	669	481	39	38	696	(4)	(4)	2,042	1,195	71	75
Ventures	(117)	(85)	(38)	(34)	(55)	(113)	(113)	(275)	(236)	(17)	(16)
Central & other items (segment)	(491)	(259)	(90)	(92)	(471)	(4)	(6)	(1,315)	19	nm ³	nm ³
Underlying profit before taxation	1,316	1,346	(2)	(2)	1,600	(18)	(17)	4,622	3,997	16	19
Asia	1,063	1,053	1	–	1,354	(21)	(21)	3,812	2,829	35	37
Africa & Middle East	273	150	82	83	349	(22)	(21)	926	701	32	54
Europe & Americas	(90)	244	(137)	(134)	7	nm ³	nm ³	(101)	890	(111)	(111)
Central & other items (region)	70	(101)	169	155	(110)	164	161	(15)	(423)	96	96
Underlying profit before taxation	1,316	1,346	(2)	(2)	1,600	(18)	(17)	4,622	3,997	16	19

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 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

3 Not meaningful

The client segment and geographic region commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2022 on a constant currency basis, unless otherwise stated.

Corporate, Commercial & Institutional Banking (CCIB) profit increased 5 per cent. Income grew 11 per cent with Cash Management benefitting from disciplined pricing initiatives in a rising interest rate environment partly offset by lower episodic income within Financial Markets and lower Lending income. Expenses were 10 per cent higher and credit impairment increased \$72 million reflecting further provisions in the China commercial real estate sector.

Consumer, Private & Business Banking (CPBB) profit increased 38 per cent, with income up 17 per cent as the benefit from higher interest rates on Retail Deposit income and a continued recovery in Wealth Management. This was partly offset by lower Mortgage income negatively impacted by the Best Lending Rate cap in Hong Kong. Expenses increased 6 per cent while credit impairment was \$29 million higher.

Group Chief Financial Officer's review continued

Ventures loss increased by over a third to \$117 million, reflecting the Group's continued investment in transformational digital initiatives. Income more than tripled to \$35 million but this increase was offset by increased expenses, albeit expenses were flat quarter-on-quarter. The impairment charge increased \$26 million to \$30 million reflecting increased delinquencies in Mox and the build of expected credit loss provisions as credit portfolios grow.

Central & other items (segment) recorded a loss of \$491 million, an increase of \$232 million, with hedge losses increasing by \$170 million to \$267 million driven by increased US Dollar interest rates. Expenses increased by \$20 million while there was a net release in credit impairment relating to exposure reductions. Associate income reduced by \$13 million reflecting lower profits at Bohai.

Asia profits were stable as income grew 10 per cent offset by a 9 per cent growth in expenses and a \$118 million increase in credit impairments. The income growth reflects strong double-digit increases across Cash Management, Retail Deposits and Wealth Management partly offset by lower Mortgage income and a loss in Treasury Markets. The increase in credit impairment reflects further provisions relating to the China commercial real estate portfolio. The profit share from Bohai reduced by \$11 million.

Africa & Middle East (AME) profits increased 83 per cent as income increased 19 per cent with strong growth in Cash Management and Retail Deposit income partly offset by a loss in Treasury Markets following de-risking actions in certain markets. This was partly offset by expenses increasing 9 per cent while credit impairment charges reduced by \$71 million, reflecting a non-repeat of the prior year's sovereign-related impairments.

Europe & Americas recorded a loss of \$90 million as income reduced by 44 per cent, reflecting the increased cost of hedges within Treasury whilst strong growth in Transaction Banking income was partly offset by lower Financial Markets income. Expenses increased 18 per cent reflecting the impact of inflation and higher investment spend. There was a \$16 million reduction in the credit impairment release booked in the quarter.

Central & other items (region) recorded a profit of \$70 million compared to a \$101 million loss in the third quarter of 2022. The return to profitability is mainly due to higher returns paid to Treasury on the equity provided to the regions in a rising interest rate environment while expenses reduced by 22 per cent.

Adjusted net interest income and margin

	3Q'23 \$million	3Q'22 \$million	Change ¹ %	2Q'23 \$million	Change ¹ %	YTD'23 \$million	YTD'22 \$million	Change ¹ %
Adjusted net interest income ²	2,380	2,023	18	2,430	(2)	7,151	5,720	25
Average interest-earning assets	579,713	562,509	3	569,811	2	577,351	564,382	2
Average interest-bearing liabilities	548,297	522,641	5	536,142	2	541,171	525,600	3
Gross yield (%) ³	5.06	2.88	218	4.61	45	4.68	2.34	234
Rate paid (%) ³	3.63	1.57	206	3.08	55	3.23	1.06	217
Net yield (%) ³	1.43	1.31	12	1.53	(10)	1.45	1.28	17
Net interest margin (%) ^{3,4}	1.63	1.43	20	1.71	(8)	1.66	1.36	30

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

2 Adjusted net interest income is reported 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, annualised

5 Not meaningful

Adjusted net interest income increased 18 per cent due to a 14 per cent increase in the net interest margin which averaged 163 basis points in the quarter, increasing 20 basis points year-on-year but decreasing 8 basis points compared to the prior quarter. Normalised net interest margin, excluding the impacts of one-offs from a system migration and effective interest rate adjustment in relation to the Singapore mortgage portfolio, averaged 167 basis points in the quarter.

- Average interest-earning assets increased 2 per cent in the quarter with growth primarily from an increase in the cash and balances at central banks and loans and advances to customers. Gross yields increased 45 basis points compared with the prior quarter with an underlying 31 basis points increase in the quarter, adjusting for one-offs, due to the impact of rising interest rates on customer loan pricing and on Treasury portfolio yields partly offset by a 2 basis points quarter-on-quarter additional loss from hedges
- Average interest-bearing liabilities increased 2 per cent in the quarter due to an increase in customer accounts and debt securities in issue. The rate paid on liabilities increased 55 basis points compared with the average in the prior quarter with an underlying 38 basis points increase in the quarter, adjusting for one-offs, due to the impact of interest rate movements and a slight deterioration in the liability mix

Group Chief Financial Officer's review continued

Credit risk summary

Income Statement

	3Q'23 \$million	3Q'22 ² \$million	Change ¹ %	2Q'23 \$million	Change ¹ %	YTD'23 \$million	YTD'22 ² \$million	Change ¹ %
Total credit impairment charge/(release)	294	232	27	146	101	466	496	(6)
Of which stage 1 and 2	101	183	(45)	27	274	134	172	(22)
Of which stage 3	193	49	294	119	62	332	324	2

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

2 Underlying credit impairment for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME and (ii) Aviation Finance. No change to reported credit impairment

Balance sheet

	30.09.23 \$million	30.06.23 \$million	Change ¹ %	31.12.22 \$million	Change ¹ %	30.09.22 \$million	Change ¹ %
Gross loans and advances to customers²	286,531	295,508	(3)	316,107	(9)	303,538	(6)
Of which stage 1	266,590	277,711	(4)	295,219	(10)	284,877	(6)
Of which stage 2	12,431	10,110	23	13,043	(5)	11,460	8
Of which stage 3	7,510	7,687	(2)	7,845	(4)	7,201	4
Expected credit loss provisions	(5,522)	(5,371)	3	(5,460)	1	(5,148)	7
Of which stage 1	(458)	(451)	2	(559)	(18)	(497)	(8)
Of which stage 2	(440)	(400)	10	(444)	(1)	(434)	1
Of which stage 3	(4,624)	(4,520)	2	(4,457)	4	(4,217)	10
Net loans and advances to customers	281,009	290,137	(3)	310,647	(10)	298,390	(6)
Of which stage 1	266,132	277,260	(4)	294,660	(10)	284,380	(6)
Of which stage 2	11,991	9,710	23	12,599	(5)	11,026	9
Of which stage 3	2,886	3,167	(9)	3,388	(15)	2,984	(3)
Cover ratio of stage 3 before/after collateral (%) ³	62/79	59/78	3/1	57/76	5/3	59/77	3/2
Credit grade 12 accounts (\$million)	1,132	1,316	(14)	1,574	(28)	1,140	(1)
Early alerts (\$million)	5,403	4,443	22	4,967	9	4,957	9
Investment grade corporate exposures (%) ³	74	74	-	76	(2)	75	(1)

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 \$10,267 million at 30 September 2023, \$10,950 million at 30 June 2023, \$24,498 million at 31 December 2022 and \$18,032 million at 30 September 2022

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

Asset quality remained resilient in the third quarter, with an improvement in a number of underlying credit metrics albeit credit impairment charges increased in the quarter. The Group continues to actively manage the credit portfolio whilst remaining alert to a volatile and challenging external environment including increased geopolitical tensions which has led to idiosyncratic stress in a select number of markets and industry sectors.

Credit impairment was a \$294 million charge in the third quarter, a \$62 million increase year-on-year and represents an annualised year-to-date loan loss rate of 20 basis points. There was a further \$186 million impairment charge relating to the China commercial real estate sector, including a \$42 million increase in the management overlay which now totals \$178 million. The Group has provided \$1.1 billion in total in relation to the China commercial real estate sector primarily over the last two years. There was a net release of \$7 million relating to sovereign downgrades while there was a \$115 million charge in relation to the CPBB portfolio and \$30 million charge in Ventures primarily from portfolio growth and increased delinquencies in Mox.

Gross stage 3 loans and advances to customers of \$7.5 billion were 2 per cent lower as repayments, client upgrades, reduction in exposures and write-offs more than offset new inflows. Credit-impaired loans represent 2.6 per cent of gross loans and advances, broadly flat on the prior quarter.

Group Chief Financial Officer's review continued

The stage 3 cover ratio of 62 per cent increased by 3 percentage points compared to 30 June 2023, while the cover ratio post collateral at 79 per cent increased by 1 percentage point due to an increase in stage 3 provisions in relation to the China commercial real estate sector and a reduction in gross stage 3 balances.

Credit grade 12 balances decreased \$184 million to \$1.1 billion in the quarter. Early Alert accounts of \$5.4 billion have increased by \$960 million since 30 June 2023, reflecting new inflows relating to a select number of clients including sovereign-related exposures. The Group is continuing to carefully monitor its exposures in vulnerable sectors and select markets, given the unusual stresses caused by the currently difficult macro-economic environment.

The proportion of investment grade corporate exposures remained stable in the quarter at 74 per cent.

Restructuring, goodwill impairment and other items

	3Q'23			3Q'22 ¹			2Q'23		
	Restructuring \$million	Goodwill & other impairment ² \$million	DVA \$million	Restructuring \$million	Goodwill & other impairment \$million	DVA \$million	Restructuring \$million	Goodwill & other impairment \$million	DVA \$million
Operating income	99	–	21	136	–	55	105	–	(93)
Operating expenses	(100)	–	–	(120)	–	–	(89)	–	–
Credit impairment	2	–	–	5	–	–	5	–	–
Other impairment	(11)	(697)	–	(31)	–	–	(14)	–	–
Profit from associates and joint ventures	3	–	–	–	–	–	1	–	–
Loss before taxation	(7)	(697)	21	(10)	–	55	8	–	(93)

1 Restructuring, DVA and other items for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA from underlying operating performance

2 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

The Group's reported 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.

The Group has signed sale agreements to exit seven markets in the AME region and will focus solely on the CCIB segment in two more markets. Additionally, following the Group's announcement on 11 January 2023 that it intends to explore alternatives for the ownership of the Aviation Finance business, the Group signed agreements on 28 August 2023 for the sale of its global aviation finance leasing business to Aircraft Leasing Company ("AviLease") for consideration of US\$0.7 billion (the "Consideration"), giving rise to an estimated gain on disposal of US\$0.3 billion and an increase in Common Equity Tier 1 capital ratio by around 19 basis points. The Consideration is subject to adjustment with reference to the net asset value of the business sold on completion. The \$1 billion Aviation Loan businesses will be sold separately, and it is anticipated this will also be completed before the end of 2023. As a result of these announcements, effective 1st January 2023, the Group has not included the exit markets and the Aviation Finance business within the Group's underlying operating profit before taxation but will report them within restructuring.

The Group has also classified movements in the debit valuation adjustment (DVA) out of its underlying operating profit before taxation and into other items.

To aid comparisons with prior periods the Group has removed the exit markets, Aviation Finance business and DVA from its underlying operating profit before taxation for 2022.

Restructuring loss before tax \$7 million reflects the impact of actions to transform the organisation to improve productivity, primarily additional redundancy charges and optimising the Group's property footprint partly offset by the profit from the Aviation Finance business and gains on the remaining Principal Finance portfolio.

Other impairment of \$697 million is in relation to a further reduction in the carrying value of the Group's investment in its associate Bohai, to align to a lower value-in-use computation reflecting lower forecasted interest rates and a lower net interest margin reported by Bohai in its half-year financial reporting. The carrying value of the Group's investment in Bohai has reduced to \$0.8 billion from \$1.5 billion.

Movements in DVA were a positive \$21 million driven by the widening of Group's asset swap spreads on derivative liability exposures. The size of the portfolio subject to DVA did not change materially during the quarter.

Group Chief Financial Officer's review continued

Balance sheet and liquidity

	30.09.23 \$million	30.06.23 \$million	Change ¹ %	31.12.22 \$million	Change ¹ %	30.09.22 \$million	Change ¹ %
Assets							
Loans and advances to banks	46,111	44,602	3	39,519	17	43,315	7
Loans and advances to customers	281,009	290,137	(3)	310,647	(10)	298,390	(6)
Other assets	498,713	503,972	(1)	469,756	6	522,730	(5)
Total assets	825,833	838,711	(2)	819,922	1	864,435	(4)
Liabilities							
Deposits by banks	29,744	28,560	4	28,789	3	27,728	7
Customer accounts	453,157	469,567	(3)	461,677	(2)	447,259	1
Other liabilities	294,576	290,903	1	279,440	5	339,445	(13)
Total liabilities	777,477	789,030	(1)	769,906	1	814,432	(5)
Equity	48,356	49,681	(3)	50,016	(3)	50,003	(3)
Total equity and liabilities	825,833	838,711	(2)	819,922	1	864,435	(4)
Advances-to-deposits ratio (%) ²	54.5%	53.6%		57.4%		58.1%	
Liquidity coverage ratio (%)	156%	164%		147%		156%	

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

2 The Group now excludes \$21,241 million held with central banks (30.06.23: \$24,749 million, 31.12.22: \$20,798 million, 30.09.22: \$21,683 million) that has been confirmed as repayable at the point of stress. Advances exclude repurchase agreement and other similar secured lending of \$10,267 million (30.06.23: \$10,950 million) and include loans and advances to customers held at fair value through profit or loss of \$5,935 million (30.06.23: \$5,368 million). Deposits include customer accounts held at fair value through profit or loss of \$15,930 million (30.06.23: \$15,026 million)

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

Loans and advances to customers decreased by \$9 billion or 3 per cent from 30 June 2023 to \$281 billion. This reflects the impact of a \$7 billion reduction from Treasury and securities backed loans, primarily reverse repurchase agreements, held to collect, a \$2 billion reduction from risk-weighted asset optimisation actions primarily in CCIB and \$2 billion reduction from currency translation. Excluding these adjustments, loans and advances grew \$2 billion or 1 per cent, in the quarter.

Customer accounts of \$453 billion decreased by \$17 billion or 3 per cent since 30 June 2023. Excluding a \$3 billion reduction from currency translation, customer accounts reduced by \$14 billion, or 3 per cent, with lower balances in Cash Management and Financial Markets partly offset by an increase in Retail Time Deposits. The reduction in customer accounts reflect actions undertaken by the Group to manage its liquidity coverage ratio.

Other assets decreased 1 per cent in the third quarter with an increase in cash and balances held at central banks and derivative balances more than offset by a reduction in investment securities and unsettled trade balances. Other liabilities increased 1 per cent with an increase in debt securities in issue partly offset by a reduction in derivative liabilities and unsettled trade liabilities.

The advances-to-deposits ratio increased to 54.5 per cent from 53.6 per cent at 30 June 2023. The point-in-time liquidity coverage ratio decreased 8 percentage points in the quarter to 156 per cent and remains well above the minimum regulatory requirement.

Risk-weighted assets

	30.09.23 \$million	30.06.23 \$million	Change ¹ %	31.12.22 \$million	Change ¹ %	30.09.22 \$million	Change ¹ %
By risk type							
Credit risk	188,294	197,151	(4)	196,855	(4)	202,523	(7)
Operational risk	27,861	27,861	–	27,177	3	27,177	3
Market risk	25,351	24,105	5	20,679	23	22,593	12
Total RWAs	241,506	249,117	(3)	244,711	(1)	252,293	(4)

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

Group Chief Financial Officer's review continued

Total risk-weighted assets (RWAs) decreased \$7.6 billion or 3 per cent since 30 June 2023 to \$241.5 billion :

- Credit Risk RWA reduced by \$8.9 billion in the third quarter to \$188.3 billion. There was a \$3.7 billion reduction from optimisation actions, primarily in the CCIB low-returning portfolio, a \$1.9 billion reduction from currency translation, a \$1.7 billion benefit from model and methodology changes. The impairment of Bohai further reduced RWAs by \$1.7 billion. This was partly offset by a \$0.6 billion increase from asset growth & mix
- Operational Risk RWA was flat in the quarter
- Market Risk RWA increased \$1.2 billion to \$25.4 billion due to increases in Internal Models Approach traded risk positions and market volatility

Capital base and ratios

	30.09.23 \$million	30.06.23 \$million	Change ¹ %	31.12.22 \$million	Change ¹ %	30.09.22 \$million	Change ¹ %
CET1 capital	33,569	34,896	(4)	34,157	(2)	34,504	(3)
Additional Tier 1 capital (AT1)	5,492	5,492	–	6,484	(15)	6,485	(15)
Tier 1 capital	39,061	40,388	(3)	40,641	(4)	40,989	(5)
Tier 2 capital	12,051	12,281	(2)	12,510	(4)	12,502	(4)
Total capital	51,112	52,669	(3)	53,151	(4)	53,491	(4)
CET1 capital ratio(%) ²	13.9	14.0	(0.1)	14.0	(0.1)	13.7	0.2
Total capital ratio(%) ²	21.2	21.1	0.1	21.7	(0.5)	21.2	–
Leverage ratio (%) ²	4.7	4.8	(0.1)	4.8	(0.1)	4.8	(0.1)

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

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

The Group's CET1 ratio of 13.9 per cent was 11 basis points lower than as at 30 June 2023. A reduction in CET1 from shareholder distributions and Bohai impairment was offset by underlying profit accretion and a decrease in RWAs. The CET1 ratio remains 3.4 percentage points above the Group's latest regulatory minimum of 10.5 per cent and at the top of the 13-14 per cent target range.

The Group is part way through the \$1 billion share buyback programme which it announced on 31 July 2023, and by 30 September 2023 had spent \$469 million purchasing 51 million ordinary shares. Even though the share buyback was still ongoing at 30 September 2023, the entire \$1 billion is deducted from CET1 in the period, reducing the CET1 ratio by 40 basis points. Including the buyback that was announced on 17 February 2023 and completed on 29 September 2023, the Group has purchased 168 million shares during the year to 30 September, reducing the share count by approximately 6 per cent.

The Group is accruing a foreseeable dividend in respect of the final 2023 ordinary share dividend in the third quarter. This is not an indication of the Group's final 2023 ordinary share dividend, which will be proposed by the Board at the presentation of the 2023 full year results. The increase in the foreseeable dividend for ordinary dividend and AT1 coupons reduced the CET1 ratio by 17 basis points

The \$697 million impairment of Bohai also resulted in an RWA reduction of \$1.7 billion, the net effect of which resulted in a reduction of the CET1 ratio by 18 basis points

The above CET1 ratio headwinds were partly offset by 36 basis points uplift from underlying profit accretion in the quarter and 22 basis points from an underlying \$3.9 billion reduction in RWA.

The Group is expecting a further 19 basis points uplift in the CET1 ratio upon completion of the sale of its Aviation Finance business, which is anticipated to occur before the end of 2023.

The Group's leverage ratio of 4.7 per cent is 4 basis points lower than at 30 June 2023. This is primarily driven by reduced CET1 capital partly offset by a \$21 billion reduction in leverage exposures. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

Group Chief Financial Officer's review continued

Outlook

We remain confident in the delivery of our RoTE targets, supported by continued strong progress on our five strategic actions.

For 2023 our guidance is as follows:

- Income to increase in the 12 to 14 per cent range at constant currency
- Full year average net interest margin to approach 170 basis points
- Underlying asset growth in the low single digit percentage range in 2H'23 (from 30.6.23)
- RWA to be similar to 31.12.22
- Positive income-to-cost jaws of around 4%, excluding UK bank levy at constant currency
- Full year loan loss rate to be in the range of 17-25 basis points
- Underlying effective tax rate expected to be around 30 per cent
- Operate dynamically within the full 13-14 per cent CET1 target range
- RoTE of 10 per cent

All 2024 guidance remains unchanged. We continue to expect 2024 income growth to be in the 8 to 10 per cent range at constant currency, and we remain confident of achieving greater than 11 per cent RoTE.

Andy Halford

Group Chief Financial Officer

26 October 2023

Supplementary financial information

Underlying performance by client segment

	3Q'23				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Operating income	2,814	1,849	35	(295)	4,403
External	2,084	1,003	35	1,281	4,403
Inter-segment	730	846	–	(1,576)	–
Operating expenses	(1,387)	(1,065)	(109)	(209)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,427	784	(74)	(504)	1,633
Credit impairment	(159)	(115)	(30)	10	(294)
Other impairment	(13)	–	(9)	(4)	(26)
Profit from associates and joint ventures	–	–	(4)	7	3
Underlying profit/(loss) before taxation	1,255	669	(117)	(491)	1,316
Restructuring	11	(17)	–	(1)	(7)
Goodwill & other impairment ³	–	–	–	(697)	(697)
DVA	21	–	–	–	21
Reported profit/(loss) before taxation	1,287	652	(117)	(1,189)	633
Total assets	395,938	126,714	3,398	299,783	825,833
Of which: loans and advances to customers ¹	177,542	124,178	1,014	26,686	329,420
loans and advances to customers	129,147	124,162	1,014	26,686	281,009
loans held at fair value through profit or loss	48,395	16	–	–	48,411
Total liabilities	471,272	190,925	2,581	112,699	777,477
Of which: customer accounts ¹	319,785	186,131	2,316	7,590	515,822
Risk-weighted assets	143,386	50,365	1,786	45,969	241,506
Income return on risk-weighted assets (%)	7.8	14.5	8.3	(2.4)	7.1
Underlying return on tangible equity (%)	17.9	27.2	nm ⁴	(38.5)	7.0
Cost to income ratio (excluding bank levy) (%)	49.3	57.6	nm ⁴	nm ⁴	62.9

	3Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Operating income	2,572	1,591	10	(35)	4,138
External	2,232	1,278	10	618	4,138
Inter-segment	340	313	–	(653)	–
Operating expenses	(1,276)	(1,024)	(87)	(189)	(2,576)
Operating profit/(loss) before impairment losses and taxation	1,296	567	(77)	(224)	1,562
Credit impairment	(87)	(86)	(4)	(55)	(232)
Other impairment	–	–	–	–	–
Profit from associates and joint ventures	–	–	(4)	20	16
Underlying profit/(loss) before taxation	1,209	481	(85)	(259)	1,346
Restructuring	18	(22)	–	(6)	(10)
DVA	55	–	–	–	55
Reported profit/(loss) before taxation	1,282	459	(85)	(265)	1,391
Total assets	453,985	129,698	1,574	279,178	864,435
Of which: loans and advances to customers ¹	190,782	126,961	480	35,388	353,611
loans and advances to customers	138,017	126,927	480	32,966	298,390
loans held at fair value through profit or loss	52,765	34	–	2,422	55,221
Total liabilities	534,469	176,087	981	102,895	814,432
Of which: customer accounts ¹	332,833	171,730	886	6,517	511,966
Risk-weighted assets	149,779	50,923	1,158	50,433	252,293
Income return on risk-weighted assets (%)	6.8	12.3	5.1	(0.3)	6.5
Underlying return on tangible equity (%)	16.5	19.2	nm ⁴	(15.9)	9.4
Cost to income ratio (excluding bank levy) (%)	49.5	64.4	nm ⁴	nm ⁴	62.3

1 Loans and advances to customers includes FVTPL and repurchase agreements

2 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

3 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

4 Not meaningful

Supplementary financial information

Corporate, Commercial & Institutional Banking

	3Q'23 \$million	3Q'22 ^{1,4} \$million	Change ³ %	Constant currency change ^{2,3} %	2Q'23 \$million	Change ³ %	Constant currency change ^{2,3} %	YTD'23 \$million	YTD'22 ^{1,4} \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	2,814	2,572	9	11	2,931	(4)	(3)	8,637	7,141	21	25
Transaction Banking	1,449	1,034	40	42	1,416	2	2	4,221	2,535	67	71
Trade & Working Capital	312	322	(3)	(2)	322	(3)	(3)	954	983	(3)	–
Cash Management	1,137	712	60	61	1,094	4	4	3,267	1,552	111	116
Financial Markets	1,253	1,386	(10)	(8)	1,391	(10)	(8)	4,058	4,198	(3)	–
Macro Trading	634	736	(14)	(11)	825	(23)	(22)	2,289	2,337	(2)	2
Credit Markets	472	455	4	4	462	2	4	1,394	1,325	5	8
Credit Trading	137	152	(10)	(7)	140	(2)	1	449	341	32	39
Financing Solutions & Issuance ⁴	335	303	11	10	322	4	5	945	984	(4)	(2)
Financing & Securities Services ⁴	147	195	(25)	(24)	104	41	42	375	536	(30)	(29)
Lending & Portfolio Management	115	154	(25)	(25)	125	(8)	(7)	364	414	(12)	(9)
Retail Products	–	–	nm ⁸	nm ⁸	1	(100)	nm ⁸	1	–	nm ⁸	nm ⁸
Deposits	–	–	nm ⁸	nm ⁸	1	(100)	nm ⁸	1	–	nm ⁸	nm ⁸
Other	(3)	(2)	(50)	33	(2)	(50)	–	(7)	(6)	(17)	13
Operating expenses	(1,387)	(1,276)	(9)	(10)	(1,403)	1	–	(4,205)	(3,841)	(9)	(12)
Operating profit before impairment losses and taxation	1,427	1,296	10	12	1,528	(7)	(6)	4,432	3,300	34	40
Credit impairment	(159)	(87)	(83)	(100)	(77)	(106)	(114)	(228)	(281)	19	18
Other impairment	(13)	–	nm ⁸	nm ⁸	(21)	38	36	(34)	–	nm ⁸	nm ⁸
Underlying profit before taxation	1,255	1,209	4	5	1,430	(12)	(11)	4,170	3,019	38	44
Restructuring	11	18	(39)	21	34	(68)	(43)	84	48	75	140
DVA	21	55	(62)	(63)	(93)	123	123	(18)	175	(110)	(110)
Reported profit before taxation	1,287	1,282	–	2	1,371	(6)	(4)	4,236	3,242	31	36
Total assets	395,938	453,985	(13)	(12)	401,001	(1)	(1)	395,938	453,985	(13)	(12)
Of which: loans and advances to customers ⁵	177,542	190,782	(7)	(7)	174,214	2	3	177,542	190,782	(7)	(7)
Total liabilities	471,272	534,469	(12)	(12)	490,697	(4)	(4)	471,272	534,469	(12)	(12)
Of which: customer accounts ⁵	319,785	332,833	(4)	(4)	333,584	(4)	(4)	319,785	332,833	(4)	(4)
Risk-weighted assets	143,386	149,779	(4)	nm ⁸	147,258	(3)	nm ⁸	143,386	149,779	(4)	nm ⁸
Income return on risk-weighted assets (%) ⁶	7.8	6.8	100bps	nm ⁸	8.1	(30)bps	nm ⁸	7.9	6.1	180bps	nm ⁸
Underlying return on tangible equity (%) ⁶	17.9	16.5	140bps	nm ⁸	20.4	(250)bps	nm ⁸	19.8	13.3	650bps	nm ⁸
Cost to income ratio (%) ⁷	49.3	49.5	0.2	0.3	47.9	(1.4)	(1.3)	48.7	53.8	5.1	5.4

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

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), except for risk-weighted assets, assets and liabilities which is increase/(decrease)

4 Shipping Finance is now reported under "Financing Solutions & Issuance" which was reported under "Financing & Securities Services" in 1Q'23

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

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

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

8 Not meaningful

Supplementary financial information continued

Performance highlights

- Underlying profit before tax of \$1,255 million was up 5 per cent at constant currency (“ccy”) driven mainly by higher income partially offset by higher expenses and impairment
- Underlying operating income of \$2,814 million was up 11 per cent at ccy primarily due to continued strong performance in Cash Management from disciplined pricing initiatives in a rising interest rate environment. Financial Markets was down 8 per cent at ccy, mainly from lower trading revenue across products on the back of subdued market volatility and non-repeat of the gains on mark-to-market liabilities in 2022 partly offset by securities services income benefitting from rising interest rates
- Underlying operating expenses increased 10 per cent at ccy, mainly due to inflation, business growth and targeted investments
- Credit impairment increased \$72m in 3Q’23 reflecting further provisions in the China commercial real estate sector
- Risk-weighted assets of \$143 billion as of 30.09.23 are broadly flat since 31.12.22, as underlying asset growth and mix was offset by optimisation actions of the low-returning portfolio and favourable foreign exchange translation
- RoTE increased 1.4 percentage points to 17.9 per cent from 16.5 per cent in 3Q’22

Supplementary financial information continued

Consumer, Private & Business Banking

	3Q'23 \$million	3Q'22 ¹ \$million	Change ³ %	Constant currency change ^{2,3} %	2Q'23 \$million	Change ³ %	Constant currency change ^{2,3} %	YTD'23 \$million	YTD'22 ¹ \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	1,849	1,591	16	17	1,784	4	4	5,405	4,436	22	25
Transaction Banking	47	33	42	42	45	4	4	135	85	59	65
Trade & Working Capital	13	13	–	–	12	8	8	36	44	(18)	(14)
Cash Management	34	20	70	70	33	3	3	99	41	141	148
Lending & Portfolio Management	6	10	(40)	(33)	7	(14)	(14)	23	32	(28)	(14)
Wealth Management	526	454	16	18	495	6	7	1,532	1,438	7	9
Retail Products	1,266	1,095	16	17	1,227	3	4	3,700	2,871	29	33
CCPL & other unsecured lending	270	292	(8)	(6)	264	2	3	809	896	(10)	(6)
Deposits	933	622	50	51	857	9	9	2,571	1,219	111	117
Mortgage & Auto	31	140	(78)	(78)	74	(58)	(57)	219	621	(65)	(64)
Other Retail Products	32	41	(22)	(21)	32	–	–	101	135	(25)	(22)
Other	4	(1)	nm ⁷	nm ⁷	10	(60)	(60)	15	10	50	50
Operating expenses	(1,065)	(1,024)	(4)	(6)	(1,042)	(2)	(3)	(3,140)	(3,074)	(2)	(5)
Operating profit before impairment losses and taxation	784	567	38	38	742	6	6	2,265	1,362	66	71
Credit impairment	(115)	(86)	(34)	(40)	(46)	(150)	(152)	(223)	(166)	(34)	(42)
Other impairment	–	–	nm ⁷	nm ⁷	–	nm ⁷	100	–	(1)	100	–
Underlying profit before taxation	669	481	39	38	696	(4)	(4)	2,042	1,195	71	75
Restructuring	(17)	(22)	23	27	(14)	(21)	(23)	(33)	(39)	15	27
Reported profit before taxation	652	459	42	41	682	(4)	(4)	2,009	1,156	74	79
Total assets	126,714	129,698	(2)	(4)	129,660	(2)	(1)	126,714	129,698	(2)	(4)
Of which: loans and advances to customers ⁴	124,178	126,961	(2)	(4)	127,039	(2)	(1)	124,178	126,961	(2)	(4)
Total liabilities	190,925	176,087	8	7	190,690	–	1	190,925	176,087	8	7
Of which: customer accounts ⁴	186,131	171,730	8	7	185,741	–	1	186,131	171,730	8	7
Risk-weighted assets	50,365	50,923	(1)	nm ⁷	50,664	(1)	nm ⁷	50,365	50,923	(1)	nm ⁷
Income return on risk-weighted assets (%) ⁵	14.5	12.3	220bps	nm ⁷	14.1	40bps	nm ⁷	14.2	11.3	290bps	–
Underlying return on tangible equity (%) ⁵	27.2	19.2	800bps	nm ⁷	28.3	(110)bps	nm ⁷	27.8	15.7	1,210bps	nm ⁷
Cost to income ratio (%) ⁶	57.6	64.4	6.8	6.3	58.4	0.8	0.6	58.1	69.3	11.2	11.2

1 Underlying performance for relevant periods in 2022 has been restated for the removal of exit markets and businesses in AME.

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), except for 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 \$669 million was up 38 per cent at constant currency (“ccy”) mainly driven by higher income partly offset by higher expenses and impairments.
- Underlying operating income of \$1,849 million was up 17 per cent at ccy. The benefit from higher interest rates on Retail Deposit income and a continued recovery in Wealth Management across key footprint markets, was partly offset by lower Mortgage income negatively impacted by the Best Lending Rate cap in Hong Kong.
- Underlying operating expenses increased 6 per cent at ccy, including the benefit of gross productivity saves in 3Q'23; with positive 11 per cent income-to-cost jaws in 3Q'23.
- Credit impairment of \$115 million increased \$29 million.
- Customer accounts increased 7 per cent at ccy year-on-year, due to strong growth driven by Affluent clients.
- RoTE increased 8 percentage points to 27.2 per cent from 19.2 per cent in 3Q'22.

Supplementary financial information continued

Ventures

	3Q'23 \$million	3Q'22 \$million	Change ² %	Constant currency change ¹² %	2Q'23 \$million	Change ² %	Constant currency change ¹² %	YTD'23 \$million	YTD'22 \$million	Change ² %	Constant currency change ¹² %
Operating income	35	10	nm⁶	nm⁶	72	(51)	(50)	124	15	nm⁶	nm⁶
Retail Products	13	4	nm ⁶	nm ⁶	12	8	17	30	9	nm ⁶	nm ⁶
CCPL & other unsecured lending	27	6	nm ⁶	nm ⁶	22	23	17	64	12	nm ⁶	nm ⁶
Deposits	(14)	(2)	nm ⁶	nm ⁶	(10)	(40)	(27)	(34)	(3)	nm ⁶	nm ⁶
Other Retail Products	–	–	nm ⁶	nm ⁶	–	nm ⁶	nm ⁶	–	–	nm ⁶	nm ⁶
Treasury	8	–	nm ⁶	nm ⁶	7	14	29	20	–	nm ⁶	nm ⁶
Other	14	6	133	160	53	(74)	(75)	74	6	nm ⁶	nm ⁶
Operating expenses	(109)	(87)	(25)	(24)	(109)	–	–	(320)	(233)	(37)	(37)
Operating Loss before impairment losses and taxation	(74)	(77)	4	8	(37)	(100)	(97)	(196)	(218)	10	11
Credit impairment	(30)	(4)	nm ⁶	nm ⁶	(13)	(131)	(131)	(53)	(7)	nm ⁶	nm ⁶
Other impairment	(9)	–	nm ⁶	nm ⁶	–	nm ⁶	nm ⁶	(9)	–	nm ⁶	nm ⁶
Profit from associates and joint ventures	(4)	(4)	–	(33)	(5)	20	–	(17)	(11)	(55)	(55)
Underlying loss before taxation	(117)	(85)	(38)	(34)	(55)	(113)	(113)	(275)	(236)	(17)	(16)
Restructuring	–	–	nm ⁶	nm ⁶	(1)	100	nm ⁶	(1)	(1)	–	–
Reported loss before taxation	(117)	(85)	(38)	(34)	(56)	(109)	(113)	(276)	(237)	(16)	(16)
Total assets	3,398	1,574	116	125	3,076	10	12	3,398	1,574	116	125
Of which: loans and advances to customers ³	1,014	480	111	110	947	7	7	1,014	480	111	110
Total liabilities	2,581	981	163	160	2,317	11	12	2,581	981	163	160
Of which: customer accounts ³	2,316	886	161	159	2,072	12	12	2,316	886	161	158
Risk-weighted assets	1,786	1,158	54	nm⁶	1,925	(7)	nm⁶	1,786	1,158	54	66
Income return on risk-weighted assets (%) ⁴	8.3	5.1	320bps	nm ⁶	18.9	nm ⁶	nm ⁶	11.2	3.4	nm ⁶	nm ⁶
Underlying return on tangible equity (%) ⁴	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶
Cost to income ratio (%) ⁵	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm 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), except for 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 loss before tax increased 34 per cent at constant currency to \$117 million reflecting the Group's continued investment in transformational digital initiatives. Income more than tripled to \$35 million but this increase was offset by increased expenses, albeit expenses were flat quarter-on-quarter. The impairment charge increased \$26 million to \$30 million reflecting the build of expected credit loss provisions as the credit portfolios grow
- Loans and advances to customers of \$1 billion increased 110 per cent year-on-year ("YoY"), whilst customer accounts of \$2.3 billion increased 159 per cent YoY, with strong growth in the two digital banks, Mox and Trust
- Risk Weighted Assets of \$1.8 billion increased \$0.6 billion

Supplementary financial information continued

Central & other items (segment)

	3Q'23 \$million	3Q'22 ¹ \$million	Change ³ %	Constant currency change ^{2,3} %	2Q'23 \$million	Change ³ %	Constant currency change ^{2,3} %	YTD23 \$million	YTD22 ¹ \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	(295)	(35)	nm⁸	nm⁸	(232)	(27)	(30)	(812)	405	nm⁸	nm⁸
Treasury	(282)	(5)	nm ⁸	nm ⁸	(167)	(69)	(69)	(687)	510	nm ⁸	nm ⁸
Other	(13)	(30)	57	(55)	(65)	80	73	(125)	(105)	(19)	(64)
Operating expenses	(209)	(189)	(11)	–	(275)	24	22	(609)	(524)	(16)	(21)
Operating (loss)/profit before impairment losses and taxation	(504)	(224)	(125)	(123)	(507)	1	(2)	(1,421)	(119)	nm⁸	nm⁸
Credit impairment	10	(55)	118	130	(10)	200	nm ⁸	38	(42)	190	nm
Other impairment	(4)	–	nm ⁸	nm ⁸	(42)	90	90	(46)	–	nm ⁸	nm ⁸
Profit from associates and joint ventures	7	20	(65)	(61)	88	(92)	(92)	114	180	(37)	(36)
Underlying profit/(loss) before taxation	(491)	(259)	(90)	(92)	(471)	(4)	(6)	(1,315)	19	nm⁸	nm⁸
Restructuring	(1)	(6)	83	–	(11)	91	71	(1)	(17)	94	88
Goodwill & other impairment ⁷	(697)	–	nm ⁸	nm ⁸	–	nm ⁸	nm ⁸	(697)	–	nm	nm
Reported (loss)/profit before taxation	(1,189)	(265)	nm⁸	nm	(482)	(147)	(148)	(2,013)	2	nm⁸	nm⁸
Total assets	299,783	279,178	7	6	304,974	(2)	(1)	299,783	279,178	7	6
Of which: loans and advances to customers ⁴	26,686	35,388	(25)	(27)	33,623	(21)	(20)	26,686	35,388	(25)	(27)
Total liabilities	112,699	102,895	10	10	105,326	7	7	112,699	102,895	10	10
Of which: customer accounts ⁴	7,590	6,517	16	17	8,394	(10)	(9)	7,590	6,517	16	17
Risk-weighted assets	45,969	50,433	(9)	nm ⁸	49,270	(7)	nm ⁸	45,969	50,433	(9)	nm ⁸
Income return on risk-weighted assets (%) ⁵	(2.4)	(0.3)	(210)bps	nm ⁸	(1.9)	(50)bps	nm ⁸	(2.2)	1.0	(320)bps	nm ⁸
Underlying return on tangible equity (%) ⁵	(38.5)	(15.9)	nm ⁸	nm ⁸	(25.4)	(1,310)bps	nm ⁸	(29.8)	(5.8)	nm ⁸	nm ⁸
Cost to income ratio (%) (excluding UK bank levy) ⁶	nm ⁸	nm ⁸	nm ⁸	nm ⁸	nm ⁸	nm ⁸	nm ⁸	nm ⁸	130.6	nm ⁸	nm ⁸

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets in AME and (ii) Aviation Finance. No change to reported performance

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), except for 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 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

8 Not meaningful

Performance highlights

- Underlying loss before tax of \$491 million compared to 3Q'22 loss of \$259 million primarily due to lower Treasury income and increased operating expenses, while there was a net release in credit impairment relating to exposure reductions. Associate income reduced by \$13 million reflecting lower profits at Bohai
- Underlying operating income was down \$260 million year-on-year, with hedge losses increasing by \$170 million to \$267 million on the back of increased US Dollar interest rates

Supplementary financial information continued

Underlying performance by region

	3Q'23				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Operating income	3,169	677	337	220	4,403
Operating expenses	(1,797)	(398)	(447)	(128)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,372	279	(110)	92	1,633
Credit impairment	(311)	(2)	18	1	(294)
Other impairment	(7)	(4)	2	(17)	(26)
Profit from associates and joint ventures	9	–	–	(6)	3
Underlying profit/(loss) before taxation	1,063	273	(90)	70	1,316
Restructuring	(36)	(19)	(6)	54	(7)
Goodwill & other impairment ⁵	(697)	–	–	–	(697)
DVA	–	16	5	–	21
Reported profit/(loss) before taxation	330	270	(91)	124	633
Total assets	498,242	51,170	267,503	8,918	825,833
Of which: loans and advances to customers ¹	248,983	22,273	58,164	–	329,420
loans and advances to customers	235,692	19,482	25,835	–	281,009
loans held at fair value through profit or loss	13,291	2,791	32,329	–	48,411
Total liabilities	451,638	41,534	202,250	82,055	777,477
Of which: customer accounts ¹	356,439	32,276	127,107	–	515,822
Risk-weighted assets	150,842	38,529	48,227	3,908	241,506
Income return on risk-weighted assets (%) ²	8.2	6.8	2.7	22.1	7.1
Underlying return on tangible equity (%) ²	14.7	13.1	(3.9)	nm ⁶	7.0
Cost to income ratio (%) ³	56.7	58.8	132.6	nm ⁶	62.9

	3Q'22 ⁴				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Operating income	2,891	616	580	51	4,138
Operating expenses	(1,665)	(395)	(371)	(145)	(2,576)
Operating profit/(loss) before impairment losses and taxation	1,226	221	209	(94)	1,562
Credit impairment	(193)	(73)	34	–	(232)
Other impairment	–	2	1	(3)	–
Profit from associates and joint ventures	20	–	–	(4)	16
Underlying profit/(loss) before taxation	1,053	150	244	(101)	1,346
Restructuring	(36)	16	18	(8)	(10)
DVA	22	6	27	–	55
Reported profit/(loss) before taxation	1,039	172	289	(109)	1,391
Total assets	497,193	54,724	303,617	8,901	864,435
Of which: loans and advances to customers ¹	258,911	24,705	69,995	–	353,611
loans and advances to customers	242,700	23,644	32,046	–	298,390
loans held at fair value through profit or loss	16,211	1,061	37,949	–	55,221
Total liabilities	452,959	41,116	249,771	70,586	814,432
Of which: customer accounts ¹	334,954	31,697	145,315	–	511,966
Risk-weighted assets	156,553	42,746	50,779	2,215	252,293
Income return on risk-weighted assets (%) ²	7.3	5.6	4.6	12.3	6.5
Underlying return on tangible equity (%) ²	14.1	7.1	10.1	nm ⁵	9.4
Cost to income ratio (%) ³	57.6	64.1	64.0	nm ⁵	62.3

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

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

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

4 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

5 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

6 Not meaningful

Supplementary financial information continued

Asia

	3Q'23 \$million	3Q'22 ⁵ \$million	Change ² %	Constant currency change ¹² %	2Q'23 \$million	Change ² %	Constant currency change ¹² %	YTD'23 \$million	YTD'22 ⁵ \$million	Change ² %	Constant currency change ¹² %
Operating income	3,169	2,891	10	10	3,164	–	1	9,524	8,230	16	18
Operating expenses	(1,797)	(1,665)	(8)	(9)	(1,777)	(1)	(2)	(5,324)	(4,983)	(7)	(9)
Operating profit before impairment losses and taxation	1,372	1,226	12	11	1,387	(1)	(1)	4,200	3,247	29	32
Credit impairment	(311)	(193)	(61)	(60)	(118)	(164)	(164)	(493)	(591)	17	15
Other impairment	(7)	–	nm ⁸	nm ⁸	(3)	(133)	nm ⁸	(9)	(3)	(200)	nm ⁸
Profit from associates and joint ventures	9	20	(55)	(53)	88	(90)	(90)	114	176	(35)	(35)
Underlying profit before taxation	1,063	1,053	1	–	1,354	(21)	(21)	3,812	2,829	35	37
Restructuring	(36)	(36)	–	(6)	(15)	(140)	(157)	(58)	(23)	(152)	(132)
Goodwill & other impairment ⁷	(697)	–	nm ⁸	nm ⁸	–	nm ⁸	nm ⁸	(697)	–	nm ⁸	nm ⁸
DVA	–	22	(100)	(105)	(35)	100	97	(22)	65	(134)	(134)
Reported profit before taxation	330	1,039	(68)	(68)	1,304	(75)	(74)	3,035	2,871	6	7
Total assets	498,242	497,193	–	(1)	500,118	–	–	498,242	497,193	–	(1)
Of which: loans and advances to customers ³	248,983	258,911	(4)	(5)	255,211	(2)	(2)	248,983	258,911	(4)	(5)
Total liabilities	451,638	452,959	–	(1)	445,833	1	2	451,638	452,959	–	(1)
Of which: customer accounts ³	356,439	334,954	6	5	353,487	1	1	356,439	334,954	6	5
Risk-weighted assets	150,842	156,553	(4)	nm ⁸	155,410	(3)	nm ⁸	150,842	156,553	(4)	nm ⁸
Income return on risk-weighted assets (%) ⁴	8.2	7.3	90bps	nm ⁸	8.2	–	nm ⁸	8.3	6.7	160bps	nm ⁸
Underlying return on tangible equity (%) ⁴	14.7	14.1	60bps	nm ⁸	18.8	(410)bps	nm ⁸	17.6	12.2	540bps	nm ⁸
Cost to income ratio (%) ⁵	56.7	57.6	0.9	0.6	56.2	(0.5)	(0.6)	55.9	60.5	4.6	4.5

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 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) Aviation Finance and (ii) DVA. No change to reported performance

7 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

8 Not meaningful

Performance highlights

- Underlying profit before tax of \$1,063 million was up 1 per cent, primarily from broad based income growth offset by a 9 per cent increase in operating expenses at constant currency ("ccy") and a \$118m increase in credit impairment reflecting further provisions related to the China commercial real estate portfolio
- Underlying operating income of \$3,169 million was up 10 per cent, mainly strong double-digit increases across Cash Management, Retail Deposits and Wealth Management partly offset by lower Mortgage income and a loss in Treasury Markets
- The profit share from Bohai reduced by \$11 million
- Loans and advances to customers were down 5 per cent and customer accounts were up 5 per cent at ccy year-on-year ("YoY")
- Risk-weighted assets down 4 per cent YoY
- RoTE increased 60 basis points to 14.7 per cent from 14.1 per cent in 3Q'22

Supplementary financial information continued

Africa & Middle East

	3Q'23 \$million	3Q'22 ⁶ \$million	Change ² %	Constant currency change ¹² %	2Q'23 \$million	Change ² %	Constant currency change ¹² %	YTD'23 \$million	YTD'22 ⁶ \$million	Change ² %	Constant currency change ¹² %
Operating income	677	616	10	19	765	(12)	(10)	2,118	1,818	17	30
Operating expenses	(398)	(395)	(1)	(9)	(399)	–	(3)	(1,194)	(1,144)	(4)	(12)
Operating profit before impairment losses and taxation	279	221	26	38	366	(24)	(25)	924	674	37	65
Credit impairment	(2)	(73)	97	104	(17)	88	113	7	26	(73)	(74)
Other impairment	(4)	2	nm ⁷	nm ⁷	–	nm ⁷	(33)	(5)	1	nm ⁷	nm ⁷
Underlying profit before taxation	273	150	82	83	349	(22)	(21)	926	701	32	54
Restructuring	(19)	16	nm ⁷	nm ⁷	17	nm ⁷	nm ⁷	16	35	(54)	(6)
DVA	16	6	167	183	(10)	nm ⁷	nm ⁷	13	21	(38)	(38)
Reported profit before taxation	270	172	57	64	356	(24)	(21)	955	757	26	49
Total assets	51,170	54,724	(6)	–	50,716	1	2	51,170	54,724	(6)	–
Of which: loans and advances to customers ³	22,273	24,705	(10)	(5)	22,498	(1)	–	22,273	24,705	(10)	(5)
Total liabilities	41,534	41,116	1	6	40,487	3	3	41,534	41,116	1	6
Of which: customer accounts ³	32,276	31,697	2	7	30,922	4	5	32,276	31,697	2	7
Risk-weighted assets	38,529	42,746	(10)	nm ⁷	41,068	(6)	nm ⁷	38,529	42,746	(10)	nm ⁷
Income return on risk-weighted assets (%) ⁴	6.8	5.6	(120)bps	nm ⁷	7.6	(80)bps	nm ⁷	7.0	5.4	160bps	nm ⁷
Underlying return on tangible equity (%) ⁴	13.1	7.1	600bps	nm ⁷	17.9	(480)bps	nm ⁷	15.4	10.7	470bps	nm ⁷
Cost to income ratio (%) ⁵	58.8	64.1	5.3	5.4	52.2	(6.6)	(7.7)	56.4	62.9	6.5	9.1

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 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME and (ii) DVA. No change to reported performance

7 Not meaningful

Performance highlights

- Underlying profit before tax of \$273 million, was up 83 per cent at constant currency ("ccy"), driven by higher income and lower credit impairment, partly offset by a 9 per cent increase in operating expenses at ccy
- Underlying operating income of \$677 million was up 19 per cent at ccy, with strong growth in Cash Management and Retail Deposit income partly offset by a loss in Treasury Markets
- Credit Impairment reduced \$71 million to \$2m, reflecting a non-repeat of the prior year's sovereign-related impairments
- Loans and advances to customers were down 5 per cent at ccy year-on-year ("YoY") partly due de-risking actions; Customer accounts were up 7 per cent at ccy
- Risk-weighted assets are down 10 per cent YoY
- RoTE increased 6 percentage points to 13.1 per cent from 7.1 per cent in 3Q'22

Supplementary financial information continued

Europe & Americas

	3Q'23 \$million	3Q'22 ⁶ \$million	Change ² %	Constant currency change ¹² %	2Q'23 \$million	Change ² %	Constant currency change ¹² %	YTD'23 \$million	YTD'22 ⁶ \$million	Change ² %	Constant currency change ¹² %
Operating income	337	580	(42)	(44)	437	(23)	(22)	1,187	1,955	(39)	(40)
Operating expenses	(447)	(371)	(20)	(18)	(433)	(3)	(3)	(1,313)	(1,133)	(16)	(16)
Operating (loss)/profit before impairment losses and taxation	(110)	209	(153)	(149)	4	nm ⁷	nm ⁷	(126)	822	(115)	(115)
Credit impairment	18	34	(47)	(47)	(6)	nm ⁷	nm ⁷	14	65	(78)	(78)
Other impairment	2	1	100	200	9	(78)	(67)	11	3	nm ⁷	nm ⁷
Underlying (loss)/profit before taxation	(90)	244	(137)	(134)	7	nm ⁷	nm ⁷	(101)	890	(111)	(111)
Restructuring	(6)	18	(133)	(128)	(3)	(100)	(150)	13	6	117	63
DVA	5	27	(81)	(82)	(48)	110	110	(9)	89	(110)	(110)
Reported profit before taxation	(91)	289	(131)	(129)	(44)	(107)	(93)	(97)	985	(110)	(110)
Total assets	267,503	303,617	(12)	(12)	278,561	(4)	(4)	267,503	303,617	(12)	(12)
Of which: loans and advances to customers ³	58,164	69,995	(17)	(18)	58,114	–	1	58,164	69,995	(17)	(18)
Total liabilities	202,250	249,771	(19)	(20)	233,442	(13)	(13)	202,250	249,771	(19)	(20)
Of which: customer accounts ³	127,107	145,315	(13)	(13)	145,382	(13)	(12)	127,107	145,315	(13)	(13)
Risk-weighted assets	48,227	50,779	(5)	nm ⁷	48,787	(1)	nm ⁷	48,227	50,779	(5)	nm ⁷
Income return on risk-weighted assets (%) ⁴	2.7	4.6	(190)bps	nm ⁷	3.6	(90)bps	nm ⁷	3.2	5.1	(190)bps	nm ⁷
Underlying return on tangible equity (%) ⁴	(3.9)	10.1	(1,400)bps	nm ⁷	0.2	(410)bps	nm ⁷	(1.5)	12.2	(1,370)bps	nm ⁷
Cost to income ratio (%) ⁵	132.6	64.0	(68.6)	(69.1)	99.1	(33.5)	(32.5)	110.6	58.0	(52.6)	(53.1)

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 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) Aviation Finance and (ii) DVA. No change to reported performance

7 Not meaningful

Performance highlights

- Underlying loss before tax of \$90 million compared to profit of \$244 million last year was due to lower income, higher expenses and a \$16 million lower credit impairment release
- Underlying operating income down 44 per cent at constant currency (“ccy”) reflecting the increased cost of hedges within Treasury, whilst strong growth in Transaction Banking income was partly offset by lower Financial Markets income with both volume and volatility remaining low
- Expenses up 18 per cent at ccy reflecting the impact of inflation and higher investment spend
- RoTE was negative 3.9 per cent down 13.9 percentage points from 10.1 per cent in 3Q'22

Supplementary financial information continued

Central & other items (region)

	3Q'23 \$million	3Q'22 ⁵ \$million	Change ² %	Constant currency change ¹² %	2Q'23 \$million	Change ² %	Constant currency change ¹² %	YTD'23 \$million	YTD'22 ⁵ \$million	Change ² %	Constant currency change ¹² %
Operating income	220	51	nm ⁶	nm ⁶	189	16	17	525	(6)	nm ⁶	nm ⁶
Operating expenses	(128)	(145)	12	22	(220)	42	41	(443)	(412)	(8)	(12)
Operating profit/(loss) before impairment losses and taxation	92	(94)	198	178	(31)	nm ⁶	nm ⁶	82	(418)	120	120
Credit impairment	1	–	nm ⁶	nm ⁶	(5)	120	120	6	4	50	100
Other impairment	(17)	(3)	nm ⁶	nm ⁶	(69)	75	75	(86)	(2)	nm ⁶	nm ⁶
Profit from associates and joint ventures	(6)	(4)	(50)	(50)	(5)	(20)	(50)	(17)	(7)	(143)	(113)
Underlying profit/(loss) before taxation	70	(101)	169	155	(110)	164	161	(15)	(423)	96	96
Restructuring	54	(8)	nm ⁶	nm ⁶	9	nm ⁶	nm ⁶	78	(27)	nm ⁶	nm ⁶
Reported profit/(loss) before taxation	124	(109)	nm ⁶	192	(101)	nm ⁶	nm ⁶	63	(450)	114	114
Total assets	8,918	8,901	–	(1)	9,316	(4)	(4)	8,918	8,901	–	(1)
Total liabilities	82,055	70,586	16	16	69,268	18	18	82,055	70,586	16	16
Risk-weighted assets	3,908	2,215	76	nm ⁶	3,852	1	nm ⁶	3,908	2,215	76	nm ⁶
Income return on risk-weighted assets (%) ³	22.1	12.3	80bps	nm ⁶	19.7	nm ⁶	nm ⁶	18.9	(0.4)	1,930bps	nm ⁶
Underlying return on tangible equity (%) ³	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶
Cost to income ratio (%) (excluding UK bank levy) ⁴	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶	nm ⁶

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

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

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

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

5 Underlying performance for relevant periods in 2022 has been restated for the removal of Aviation Finance. No change to reported performance line

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$70 million compared to \$101 million loss in 3Q'22. The return to profitability is mainly due to higher returns paid to Treasury on the equity provided to the regions in a rising interest rate environment, while expenses reduced by 22 per cent at constant currency

Supplementary financial information continued

Underlying performance by key market

	3Q'23									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	1,067	275	291	144	635	309	61	191	19	211
Operating expenses	(475)	(181)	(222)	(82)	(295)	(242)	(49)	(99)	(226)	(160)
Operating profit before impairment losses and taxation	592	94	69	62	340	67	12	92	(207)	51
Credit impairment	(203)	(21)	(45)	(1)	(24)	(9)	(10)	12	13	2
Other impairment	(1)	–	(1)	(1)	(2)	(1)	–	–	(4)	7
Profit from associates and joint ventures	–	–	9	–	–	–	–	–	–	–
Underlying profit before taxation	388	73	32	60	314	57	2	104	(198)	60
Total assets employed	180,633	58,751	43,936	22,147	97,981	34,788	5,556	20,835	160,936	90,525
Of which: loans and advances to customers ¹	85,199	32,395	16,590	11,003	60,754	14,686	2,547	7,692	25,722	27,546
Total liabilities employed	173,346	49,874	36,085	20,349	106,455	27,014	4,327	18,711	102,747	82,705
Of which: customer accounts ¹	144,629	37,368	29,342	17,890	78,878	19,399	2,901	14,064	70,088	46,170
Underlying return on tangible equity (%)	18.2	9.8	3.4	26.6	27.7	6.1	2.3	23.1	(14.2)	6.4
Cost to income ratio (%)	44.5	65.8	76.3	56.9	46.5	78.3	80.3	51.8	nm	75.8

	2Q'23									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	1,055	270	310	142	625	316	61	207	108	218
Operating expenses	(478)	(179)	(217)	(85)	(316)	(211)	(47)	(104)	(222)	(154)
Operating profit before impairment losses and taxation	577	91	93	57	309	105	14	103	(114)	64
Credit impairment	(88)	(8)	(26)	(9)	(15)	(1)	3	7	(10)	2
Other impairment	–	–	–	–	(1)	(1)	–	–	13	(3)
Profit from associates and joint ventures	–	–	88	–	–	–	–	–	–	–
Underlying profit before taxation	489	83	155	48	293	103	17	110	(111)	63
Total assets employed	182,512	62,885	41,808	21,536	99,103	35,830	5,064	19,105	171,028	91,860
Of which: loans and advances to customers ¹	85,004	37,764	14,554	10,838	64,268	14,980	2,388	7,519	34,338	19,284
Total liabilities employed	170,945	53,204	34,064	20,448	103,381	27,937	3,922	16,742	132,756	84,648
Of which: customer accounts ¹	142,766	41,075	24,127	18,656	77,591	20,788	2,896	12,856	85,767	49,749
Underlying return on tangible equity (%)	23.3	11.4	16.6	23.0	26.9	10.8	12.9	23.9	(7.9)	7.1
Cost to income ratio (%)	45.3	66.3	70.0	59.9	50.6	66.8	77.0	50.2	205.6	70.6

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

Supplementary financial information continued

	3Q'22 ²									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	945	289	313	119	542	292	47	153	251	263
Operating expenses	(462)	(179)	(214)	(82)	(263)	(189)	(42)	(91)	(176)	(146)
Operating profit before impairment losses and taxation	483	110	99	37	279	103	5	62	75	117
Credit impairment	(145)	(18)	(53)	(2)	65	(11)	2	25	10	12
Other impairment	(4)	–	(1)	–	(2)	(2)	–	(1)	11	(2)
Profit from associates and joint ventures	–	–	19	–	–	–	–	–	–	–
Underlying profit before taxation	334	92	64	35	342	90	7	86	96	127
Total assets employed	177,682	65,950	40,772	24,660	98,714	31,817	5,868	20,160	220,271	68,973
Of which: loans and advances to customers ¹	86,348	39,854	15,211	10,938	60,136	15,029	2,185	8,186	46,182	19,962
Total liabilities employed	167,509	56,038	36,599	23,529	109,115	23,998	4,702	16,035	162,730	72,122
Of which: customer accounts ¹	132,780	39,297	26,339	19,507	77,179	14,577	3,219	12,569	105,413	31,136
Underlying return on tangible equity (%)	15.4	12.3	6.5	15.5	29.1	9.2	4.8	16.5	6.5	16.2
Cost to income ratio (%)	48.9	61.9	68.4	68.9	48.5	64.7	89.4	59.5	70.1	55.5

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

2 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

Quarterly underlying operating income by product

	3Q'23 \$million	2Q'23 \$million	1Q'23 ² \$million	4Q'22 ¹² \$million	3Q'22 ¹² \$million	2Q'22 ¹² \$million	1Q'22 ¹² \$million	4Q'21 ¹² \$million
Transaction Banking	1,496	1,461	1,399	1,254	1,067	824	729	718
Trade & Working capital	325	334	331	316	335	336	356	341
Cash Management	1,171	1,127	1,068	938	732	488	373	377
Financial Markets	1,253	1,391	1,414	1,147	1,386	1,255	1,557	900
Macro Trading	634	825	830	628	736	662	939	427
Credit Markets	472	462	460	436	455	396	474	462
Credit Trading	137	140	172	147	152	84	105	59
Financing Solutions & Issuance ²	335	322	288	289	303	312	369	403
Financing & Securities Services ²	147	104	124	83	195	197	144	11
Lending & Portfolio Management	121	132	134	112	164	136	146	183
Wealth Management	526	495	511	358	454	456	528	464
Retail Products	1,279	1,240	1,212	1,147	1,099	944	837	823
CCPL & other unsecured lending	297	286	290	294	298	310	300	311
Deposits	919	848	771	805	620	355	241	206
Mortgage & Auto	31	74	114	12	140	235	246	260
Other Retail Products	32	32	37	36	41	44	50	46
Treasury	(274)	(160)	(233)	(173)	(5)	201	314	150
Other	2	(4)	(41)	(80)	(27)	(33)	(35)	(54)
Total underlying operating income	4,403	4,555	4,396	3,765	4,138	3,783	4,076	3,184

1 Restatements relating to (a) exit of seven markets in AME (b) exit of Aviation Finance Business and (c) Reporting DVA outside of Underlying Income, have been made to reflect these items below the line

2 Shipping Finance is now reported under "Financing Solutions & Issuance" which was reported under "Financing & Securities Services" in Q1 '23

Supplementary financial information continued

Earnings per ordinary share

	3Q'23 \$million	3Q'22 ¹ \$million	Change %	2Q'23 \$million	Change %	YTD'23 \$million	YTD'22 ¹ \$million	Change %
Profit for the period attributable to equity holders	139	1,078	(87)	1,041	(87)	2,524	3,166	(20)
Non-controlling interest	6	9	(33)	6	–	9	10	(10)
Dividend payable on preference shares and AT1 classified as equity	(180)	(123)	(46)	(65)	(177)	(423)	(339)	(25)
Profit for the period attributable to ordinary shareholders	(35)	964	(104)	982	nm⁴	2,110	2,837	(26)
Items normalised:								
Restructuring	7	10	(30)	(8)	nm ⁴	(49)	9	nm ⁴
Goodwill and other impairment ³	697	–	nm ⁴	–	nm ⁴	697	–	nm ⁴
DVA	(21)	(55)	62	93	nm ⁴	18	(175)	nm ⁴
Tax on normalised items	(4)	(4)	–	(15)	nm ⁴	(4)	10	nm ⁴
Underlying profit for the period attributable to ordinary shareholders	644	915	(30)	1,052	(39)	2,772	2,681	3
Basic – Weighted average number of shares (millions)	2,772	2,949	nm ⁴	2,818	nm ⁴	2,816	2,992	nm ⁴
Diluted – Weighted average number of shares (millions)	2,837	3,011	nm ⁴	2,884	nm ⁴	2,880	3,050	nm ⁴
Basic earnings per ordinary share (cents)²	(1.3)	32.7	(34.0)	34.8	(36.1)	74.9	94.8	(19.9)
Diluted earnings per ordinary share (cents)²	(1.2)	32.0	(33.2)	34.0	(35.2)	73.3	93.0	(19.7)
Underlying basic earnings per ordinary share (cents)²	23.2	31.0	(7.8)	37.3	(14.1)	98.4	89.6	8.8
Underlying diluted earnings per ordinary share (cents)²	22.7	30.4	(7.7)	36.5	(13.8)	96.3	87.9	8.4

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

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

3 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai).

4 Not meaningful

Supplementary financial information continued

Return on Tangible Equity

	3Q'23 \$million	3Q'22 ¹ \$million	Change %	2Q'23 \$million	Change %	YTD'23 \$million	YTD'22 ¹ \$million	Change %
Average parent company Shareholders' Equity	43,135	43,592	(1)	43,964	(2)	43,580	44,600	(2)
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	(1,494)	–
Less Average intangible assets	(5,948)	(5,529)	(8)	(5,895)	(1)	(5,907)	(5,511)	(7)
Average Ordinary Shareholders' Tangible Equity	35,693	36,569	(2)	36,575	(2)	36,179	37,595	(4)
Profit for the period attributable to equity holders	139	1,078	(87)	1,041	(87)	2,524	3,166	(20)
Non-controlling interests	6	9	(33)	6	–	9	10	(10)
Dividend payable on preference shares and AT1 classified as equity	(180)	(123)	(46)	(65)	(177)	(423)	(339)	(25)
Profit for the period attributable to ordinary shareholders	(35)	964	nm³	982	nm³	2,110	2,837	nm³
Items normalised:								
Restructuring	7	10	(30)	(8)	nm ³	(49)	9	nm ³
Goodwill and Other impairment ²	697	–	nm ³	–	nm ³	697	–	nm ³
Ventures FVOCI unrealised gains/(losses) net of tax	(11)	(49)	78	52	nm ³	32	(57)	nm ³
DVA	(21)	(55)	62	93	nm ³	18	(175)	nm ³
Tax on normalised items	(4)	(4)	–	(15)	73	(4)	10	nm ³
Underlying profit for the period attributable to ordinary shareholders	633	866	(27)	1,104	(43)	2,804	2,624	(58)
Underlying Return on Tangible Equity	7.0%	9.4%	(240)bps	12.1%	(510)bps	10.4%	9.3%	110bps
Reported Return on Tangible Equity	(0.4)%	10.5%	(1,090)bps	10.8%	(1,120)bps	7.8%	10.1%	(230)bps

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

2 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

3 Not meaningful

Net Tangible Asset Value per Share

	30.09.23 \$million	30.09.22 \$million	Change %	30.06.23 \$million	Change %	31.12.22 \$million	Change %
Parent company shareholders equity	42,466	43,127	(2)	43,803	(3)	43,162	(2)
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	–
Less Intangible assets	(5,997)	(5,520)	(9)	(5,898)	(2)	(5,869)	(2)
Net shareholders tangible equity	34,975	36,113	(3)	36,411	(4)	35,799	(2)
Ordinary shares in issue, excluding own shares (millions)	2,725	2,905	(6)	2,797	(3)	2,867	(5)
Net Tangible Asset Value per share (cents)¹	1,283	1,243	40	1,302	(19)	1,249	34

1 Change is cents difference between the two periods rather than the percentage change

Underlying versus reported results reconciliations

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

Operating income by client segment

	3Q'23				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Underlying operating income	2,814	1,849	35	(295)	4,403
Restructuring	77	10	–	12	99
DVA	21	–	–	–	21
Reported operating income	2,912	1,859	35	(283)	4,523

	3Q'22 ¹				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Underlying operating income	2,572	1,591	10	(35)	4,138
Restructuring	128	9	–	(1)	136
DVA	55	–	–	–	55
Reported operating income	2,755	1,600	10	(36)	4,329

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

Operating income by region

	3Q'23				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Underlying operating income	3,169	677	337	220	4,403
Restructuring	61	20	8	10	99
DVA	–	16	5	–	21
Reported operating income	3,230	713	350	230	4,523

	3Q'22 ¹				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Underlying operating income	2,891	616	580	51	4,138
Restructuring	76	30	25	5	136
DVA	22	6	27	–	55
Reported operating income	2,989	652	632	56	4,329

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

Underlying versus reported results reconciliations continued

Net interest income and Other income

	3Q'23				3Q'22			
	Underlying \$million	Restructuring \$million	Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets \$million	Reported \$million	Underlying \$million	Restructuring \$million	Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets \$million	Reported \$million
Net interest income ¹	2,388	(8)	(455)	1,925	2,017	6	(91)	1,932
Other income ¹	2,015	128	455	2,598	2,121	185	91	2,397
Total income	4,403	120	–	4,523	4,138	191	–	4,329

1 To be consistent with how we compute Net Interest Margin, we have changed our definition of Underlying Net Interest Income (NII) and Underlying Other Income (OI). The adjustments made to NIM, including Interest expense relating to funding our trading book, will now be shown against Underlying Other Income rather than Underlying NII. There is no impact on total income

Profit before taxation (PBT)

	3Q'23				
	Underlying \$million	Restructuring \$million	Goodwill & other impairment ² \$million	DVA \$million	Reported \$million
Operating income	4,403	99	–	21	4,523
Operating expenses	(2,770)	(100)	–	–	(2,870)
Operating profit/(loss) before impairment losses and taxation	1,633	(1)	–	21	1,653
Credit impairment	(294)	2	–	–	(292)
Other impairment	(26)	(11)	(697)	–	(734)
Profit from associates and joint ventures	3	3	–	–	6
Profit/(loss) before taxation	1,316	(7)	(697)	21	633

	3Q'22 ¹				
	Underlying \$million	Restructuring \$million	Goodwill & other impairment \$million	DVA \$million	Reported \$million
Operating income	4,138	136	–	55	4,329
Operating expenses	(2,576)	(120)	–	–	(2,696)
Operating profit/(loss) before impairment losses and taxation	1,562	16	–	55	1,633
Credit impairment	(232)	5	–	–	(227)
Other impairment	–	(31)	–	–	(31)
Profit from associates and joint ventures	16	–	–	–	16
Profit/(loss) before taxation	1,346	(10)	–	55	1,391

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

2 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Underlying versus reported results reconciliations continued

Profit before taxation (PBT) by client segment

	3Q'23				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Operating income	2,814	1,849	35	(295)	4,403
External	2,084	1,003	35	1,281	4,403
Inter-segment	730	846	–	(1,576)	–
Operating expenses	(1,387)	(1,065)	(109)	(209)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,427	784	(74)	(504)	1,633
Credit impairment	(159)	(115)	(30)	10	(294)
Other impairment	(13)	–	(9)	(4)	(26)
Profit from associates and joint ventures	–	–	(4)	7	3
Underlying profit/(loss) before taxation	1,255	669	(117)	(491)	1,316
Restructuring	11	(17)	–	(1)	(7)
Goodwill & other impairment ²	–	–	–	(697)	(697)
DVA	21	–	–	–	21
Reported profit/(loss) before taxation	1,287	652	(117)	(1,189)	633

	3Q'22 ¹				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items (segment) \$million	Total \$million
Operating income	2,572	1,591	10	(35)	4,138
External	2,232	1,278	10	618	4,138
Inter-segment	340	313	–	(653)	–
Operating expenses	(1,276)	(1,024)	(87)	(189)	(2,576)
Operating profit/(loss) before impairment losses and taxation	1,296	567	(77)	(224)	1,562
Credit impairment	(87)	(86)	(4)	(55)	(232)
Profit from associates and joint ventures	–	–	(4)	20	16
Underlying profit/(loss) before taxation	1,209	481	(85)	(259)	1,346
Restructuring	18	(22)	–	(6)	(10)
DVA	55	–	–	–	55
Reported profit/(loss) before taxation	1,282	459	(85)	(265)	1,391

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

2 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Underlying versus reported results reconciliations continued

Profit before taxation (PBT) by region

3Q'23					
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Operating income	3,169	677	337	220	4,403
Operating expenses	(1,797)	(398)	(447)	(128)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,372	279	(110)	92	1,633
Credit impairment	(311)	(2)	18	1	(294)
Other impairment	(7)	(4)	2	(17)	(26)
Profit from associates and joint ventures	9	–	–	(6)	3
Underlying profit/(loss) before taxation	1,063	273	(90)	70	1,316
Restructuring	(36)	(19)	(6)	54	(7)
Goodwill & other impairment ²	(697)	–	–	–	(697)
DVA	–	16	5	–	21
Reported profit/(loss) before taxation	330	270	(91)	124	633

3Q'22 ¹					
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items (region) \$million	Total \$million
Operating income	2,891	616	580	51	4,138
Operating expenses	(1,665)	(395)	(371)	(145)	(2,576)
Operating profit/(loss) before impairment losses and taxation	1,226	221	209	(94)	1,562
Credit impairment	(193)	(73)	34	–	(232)
Other impairment	–	2	1	(3)	–
Profit from associates and joint ventures	20	–	–	(4)	16
Underlying profit/(loss) before taxation	1,053	150	244	(101)	1,346
Restructuring	(36)	16	18	(8)	(10)
DVA	22	6	27	–	55
Reported profit/(loss) before taxation	1,039	172	289	(109)	1,391

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

2 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Underlying versus reported results reconciliations continued

Return on tangible equity (RoTE)

3Q'23					
	Corporate, Commercial & Institutional Banking %	Consumer, Private & Business Banking %	Ventures %	Central & other items (segment) %	Total %
Underlying RoTE	17.9	27.2	nm ²	(38.5)	7.0
Restructuring					
Of which: Income	1.4	0.6	–	0.6	1.2
Of which: Expenses	(1.2)	(1.4)	nm ²	(0.5)	(1.1)
Of which: Credit impairment	–	(0.1)	–	0.2	–
Of which: Other impairment	–	(0.1)	–	(0.7)	(0.1)
Of which: Profit from associates and joint ventures	–	–	–	0.2	–
Goodwill impairment	–	–	–	(37.9)	(7.7)
Ventures FVOCI Unrealised gains / (losses) net of Taxes	–	–	nm ²	–	0.1
DVA	0.4	–	–	–	0.2
Tax on normalised items	(0.1)	0.4	nm ²	0.3	–
Reported RoTE	18.4	26.6	nm ²	(76.3)	(0.4)

3Q'22 ¹					
	Corporate, Commercial & Institutional Banking %	Consumer, Private & Business Banking %	Ventures %	Central & other items (segment) %	Total %
Underlying RoTE	16.5	19.2	nm ²	(15.9)	9.4
Restructuring					
Of which: Income	2.3	0.6	–	–	1.5
Of which: Expenses	(1.5)	(1.7)	nm ²	(0.2)	(1.3)
Of which: Credit impairment	0.1	–	–	(0.1)	0.1
Of which: Other impairment	(0.6)	–	–	(0.1)	(0.3)
Of which: Profit from associates and joint ventures	–	–	–	0.1	–
Ventures FVOCI Unrealised gains / (losses) net of Taxes	–	–	nm ²	–	0.5
DVA	1.0	–	–	–	0.6
Tax on normalised items	(0.3)	0.3	nm ²	1.0	–
Reported RoTE	17.5	18.4	nm ²	(15.2)	10.5

1 Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance

2 Not Meaningful

Underlying versus reported results reconciliations continued

Earnings per ordinary share (EPS)

	3Q'23					
	Underlying \$ million	Restructuring \$ million	DVA \$ million	Goodwill impairment ² \$ million	Tax on normalised items \$ million	Reported \$ million
Profit for the year attributable to ordinary shareholders	644	(7)	21	(697)	4	(35)
Basic – Weighted average number of shares (millions)	2,772					2,772
Basic earnings per ordinary share (cents)	23.2					(1.3)

	3Q'22 ¹					
	Underlying \$ million	Restructuring \$ million	DVA \$ million	Goodwill impairment \$ million	Tax on normalised items \$ million	Reported \$ million
Profit for the year attributable to ordinary shareholders ¹	915	(10)	55	–	4	964
Basic – Weighted average number of shares (millions)	2,949					2,949
Basic earnings per ordinary share (cents)	31.0					32.7

- Underlying performance for relevant periods in 2022 has been restated for the removal of (i) exit markets and businesses in AME (ii) Aviation Finance and (iii) DVA. No change to reported performance
- Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Risk review

Credit quality by client segment

30.09.23

	Customers							
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial Guarantees \$million
Amortised cost								
Stage 1	45,761	117,266	121,544	996	26,784	266,590	170,008	71,006
- Strong	36,420	80,201	116,539	988	26,495	224,223	155,564	47,217
- Satisfactory	9,341	37,065	5,005	8	289	42,367	14,444	23,789
Stage 2	306	10,034	2,351	46	-	12,431	5,085	2,594
- Strong	24	1,459	1,626	22	-	3,107	1,196	934
- Satisfactory	192	7,533	429	10	-	7,972	3,445	1,270
- Higher risk	90	1,042	296	14	-	1,352	444	390
Of which (stage 2):								
- Less than 30 days past due	-	106	429	10	-	545	-	-
- More than 30 days past due	5	25	296	14	-	335	-	-
Stage 3, credit-impaired financial assets	64	5,932	1,445	9	124	7,510	19	580
Gross balance¹	46,131	133,232	125,340	1,051	26,908	286,531	175,112	74,180
Stage 1	(7)	(110)	(329)	(19)	-	(458)	(49)	(16)
- Strong	(2)	(52)	(268)	(19)	-	(339)	(34)	(9)
- Satisfactory	(5)	(58)	(61)	-	-	(119)	(15)	(7)
Stage 2	(9)	(318)	(115)	(7)	-	(440)	(48)	(14)
- Strong	-	(15)	(37)	(4)	-	(56)	(5)	-
- Satisfactory	(2)	(225)	(33)	(1)	-	(259)	(26)	(4)
- Higher risk	(7)	(78)	(45)	(2)	-	(125)	(17)	(10)
Of which (stage 2):								
- Less than 30 days past due	-	(3)	(33)	(1)	-	(37)	-	-
- More than 30 days past due	-	-	(45)	(2)	-	(47)	-	-
Stage 3, credit-impaired financial assets	(4)	(3,835)	(774)	(7)	(8)	(4,624)	(1)	(114)
Total credit impairment	(20)	(4,263)	(1,218)	(33)	(8)	(5,522)	(98)	(144)
Net carrying value	46,111	128,969	124,122	1,018	26,900	281,009		
Stage 1	0.0%	0.1%	0.3%	1.9%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	1.9%	0.0%	0.2%	0.0%	0.0%
- Satisfactory	0.1%	0.2%	1.2%	0.0%	0.0%	0.3%	0.1%	0.0%
Stage 2	2.9%	3.2%	4.9%	15.2%	0.0%	3.5%	0.9%	0.5%
- Strong	0.0%	1.0%	2.3%	18.2%	0.0%	1.8%	0.4%	0.0%
- Satisfactory	1.0%	3.0%	7.7%	10.0%	0.0%	3.2%	0.8%	0.3%
- Higher risk	7.8%	7.5%	15.2%	14.3%	0.0%	9.2%	3.8%	2.6%
Of which (stage 2):								
- Less than 30 days past due	0.0%	2.8%	7.7%	10.0%	0.0%	6.8%	0.0%	0.0%
- More than 30 days past due	0.0%	0.0%	15.2%	14.3%	0.0%	14.0%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	6.3%	64.6%	53.6%	77.8%	6.5%	61.6%	5.3%	19.7%
Cover ratio	0.0%	3.2%	1.0%	3.1%	0.0%	1.9%	0.1%	0.2%
Fair value through profit or loss								
Performing	34,006	48,367	16	-	-	48,383	-	-
- Strong	27,395	31,043	16	-	-	31,059	-	-
- Satisfactory	6,611	17,279	-	-	-	17,279	-	-
- Higher risk	-	45	-	-	-	45	-	-
Defaulted (CGI3-14)	-	28	-	-	-	28	-	-
Gross balance (FVTPL)²	34,006	48,395	16	-	-	48,411	-	-
Net carrying value (incl FVTPL)	80,117	177,364	124,138	1,018	26,900	329,420	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$10,267 million under Customers and of \$719 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$42,475 million under Customers and of \$32,019 million under Banks, held at fair value through profit or loss

Risk review continued

30.06.23

	Customers							
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking ¹ \$million	Ventures \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial Guarantees \$million
Amortised cost								
Stage 1	43,980	118,179	124,735	927	33,870	277,711	169,843	65,574
- Strong	33,450	81,296	120,215	920	33,579	236,010	153,463	43,749
- Satisfactory	10,530	36,883	4,520	7	291	41,701	16,380	21,825
Stage 2	565	8,059	2,012	39	–	10,110	4,363	2,238
- Strong	260	1,632	1,519	20	–	3,171	1,091	263
- Satisfactory	50	5,366	336	9	–	5,711	2,785	1,620
- Higher risk	255	1,061	157	10	–	1,228	487	355
Of which (stage 2):								
- Less than 30 days past due	–	268	336	9	–	613	–	–
- More than 30 days past due	7	111	157	10	–	278	–	–
Stage 3, credit-impaired financial assets	78	6,038	1,450	6	193	7,687	3	591
Gross balance¹	44,623	132,276	128,197	972	34,063	295,508	174,209	68,403
Stage 1	(6)	(105)	(332)	(14)	–	(451)	(45)	(13)
- Strong	(4)	(24)	(238)	(14)	–	(276)	(26)	(7)
- Satisfactory	(2)	(81)	(94)	–	–	(175)	(19)	(6)
Stage 2	(12)	(280)	(116)	(4)	–	(400)	(43)	(20)
- Strong	(1)	(38)	(39)	(2)	–	(79)	(5)	(1)
- Satisfactory	(5)	(162)	(28)	(1)	–	(191)	(21)	(11)
- Higher risk	(6)	(80)	(49)	(1)	–	(130)	(17)	(8)
Of which (stage 2):								
- Less than 30 days past due	–	(10)	(28)	(1)	–	(39)	–	–
- More than 30 days past due	–	(1)	(49)	(1)	–	(51)	–	–
Stage 3, credit-impaired financial assets	(3)	(3,724)	(779)	(5)	(12)	(4,520)	(1)	(120)
Total credit impairment	(21)	(4,109)	(1,227)	(23)	(12)	(5,371)	(89)	(153)
Net carrying value	44,602	128,167	126,970	949	34,051	290,137		
Stage 1	0.0%	0.1%	0.3%	1.5%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.0%	0.2%	1.5%	0.0%	0.1%	0.0%	0.0%
- Satisfactory	0.0%	0.2%	2.1%	0.0%	0.0%	0.4%	0.1%	0.0%
Stage 2	2.1%	3.5%	5.8%	10.3%	0.0%	4.0%	1.0%	0.9%
- Strong	0.4%	2.3%	2.6%	10.0%	0.0%	2.5%	0.5%	0.4%
- Satisfactory	10.0%	3.0%	8.3%	11.1%	0.0%	3.3%	0.8%	0.7%
- Higher risk	2.4%	7.5%	31.2%	10.0%	0.0%	10.6%	3.5%	2.3%
Of which (stage 2):								
- Less than 30 days past due	0.0%	3.7%	8.3%	11.1%	0.0%	6.4%	0.0%	0.0%
- More than 30 days past due	0.0%	0.9%	31.2%	10.0%	0.0%	18.3%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	3.8%	61.7%	53.7%	83.3%	6.2%	58.8%	33.3%	20.3%
Cover ratio	0.0%	3.1%	1.0%	2.4%	0.0%	1.8%	0.1%	0.2%

Fair value through profit or loss

Performing	36,593	45,641	19	–	1	45,661	–	–
- Strong	31,754	29,652	19	–	–	29,671	–	–
- Satisfactory	4,839	15,956	–	–	–	15,956	–	–
- Higher risk	–	33	–	–	1	34	–	–
Defaulted (CGI3-14)	–	25	–	–	–	25	–	–
Gross balance (FVTPL)²	36,593	45,666	19	–	1	45,686	–	–
Net carrying value (incl FVTPL)	81,195	173,833	126,989	949	34,052	335,823	–	–

¹ Loans and advances includes reverse repurchase agreements and other similar secured lending of \$10,950 million under Customers and of \$1,383 million under Banks, held at amortised cost

² Loans and advances includes reverse repurchase agreements and other similar secured lending of \$40,318 million under Customers and of \$34,467 million under Banks, held at fair value through profit or loss

Risk review continued

Credit impairment charge

	9 months ended 30.09.23			9 months ended 30.09.22 ¹		
	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	66	162	228	38	244	282
Consumer, Private & Business Banking	75	148	223	103	62	165
Ventures	28	25	53	6	1	7
Central & other items	(35)	(3)	(38)	25	17	42
Credit impairment charge / (release)	134	332	466	172	324	496
Restructuring business portfolio						
Others	(1)	(12)	(13)	(9)	3	(6)
Credit impairment charge / (release)	(1)	(12)	(13)	(9)	3	(6)
Total credit impairment charge / (release)	133	320	453	163	327	490

1 Underlying credit impairment has been restated for the removal of (i) exit markets and businesses in AME and (ii) Aviation Finance. No change in reported credit impairment

Vulnerable and Cyclical Sector

Maximum Exposure

	30.09.23						
	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
Amortised Cost							
Industry:							
Aviation ¹	2,175	1,196	979	1,626	624	2,250	3,229
Commodity Traders	6,239	262	5,977	2,308	6,844	9,152	15,129
Metals & Mining	3,946	330	3,616	3,925	1,276	5,201	8,817
Construction	2,589	383	2,206	2,717	5,804	8,521	10,727
Commercial Real Estate	14,559	7,386	7,173	4,993	330	5,323	12,496
Hotels & Tourism	2,055	862	1,193	1,338	226	1,564	2,757
Oil & Gas	6,956	550	6,406	8,105	6,635	14,740	21,146
Total	38,519	10,969	27,550	25,012	21,739	46,751	74,301
Total Corporate, Commercial & Institutional Banking	128,969	29,802	99,167	98,861	63,465	162,326	261,493
Total Group	327,120	123,769	203,351	175,014	74,036	249,050	452,401

1 In addition, the Group has classified as HFS \$3.4 billion of aircraft under operating leases and \$0.9 billion of Aviation loans

	30.06.23						
	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
Amortised Cost							
Industry:							
Aviation ¹	2,939	1,351	1,588	1,664	637	2,301	3,889
Commodity Traders	7,701	208	7,493	2,743	6,422	9,165	16,658
Metals & Mining	3,652	309	3,343	3,933	1,419	5,352	8,695
Construction	2,939	430	2,509	2,763	5,755	8,518	11,027
Commercial Real Estate	15,199	6,707	8,492	5,788	335	6,123	14,615
Hotels & Tourism	1,739	785	954	1,487	180	1,667	2,621
Oil & Gas	6,831	636	6,195	7,410	6,290	13,700	19,895
Total	41,000	10,426	30,574	25,788	21,038	46,826	77,400
Total Corporate, Commercial & Institutional Banking	128,167	29,849	98,318	99,995	59,318	159,313	257,631
Total Group	334,739	124,145	210,594	174,120	68,250	242,370	452,964

1 In addition, the Group has classified as HFS \$3.3 billion of aircraft under operating leases and \$0.9 billion of Aviation loans

Risk review continued

Loans and advances by stage

30.09.23												
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 ¹	1,979	–	1,979	172	(1)	171	36	(11)	25	2,187	(12)	2,175
Commodity Traders	6,089	(4)	6,085	94	(1)	93	538	(477)	61	6,721	(482)	6,239
Metals & Mining	3,565	–	3,565	295	(3)	292	234	(145)	89	4,094	(148)	3,946
Construction	2,108	(4)	2,104	467	(11)	456	372	(343)	29	2,947	(358)	2,589
Commercial Real Estate	11,286	(12)	11,274	2,957	(189)	2,768	1,622	(1,105)	517	15,865	(1,306)	14,559
Hotels & Tourism	1,682	(2)	1,680	277	(1)	276	124	(25)	99	2,083	(28)	2,055
Oil & Gas	6,165	(9)	6,156	451	(9)	442	738	(380)	358	7,354	(398)	6,956
Total	32,874	(31)	32,843	4,713	(215)	4,498	3,664	(2,486)	1,178	41,251	(2,732)	38,519
Total Corporate, Commercial & Institutional Banking	117,266	(110)	117,156	10,034	(318)	9,716	5,932	(3,835)	2,097	133,232	(4,263)	128,969
Total Group	312,351	(465)	311,886	12,737	(449)	12,288	7,574	(4,628)	2,946	332,662	(5,542)	327,120

1 In addition, the Group has classified as HFS \$3.4 billion of aircraft under operating leases and \$0.9 billion of Aviation loans

30.06.23												
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 ¹	2,706	–	2,706	185	(2)	183	61	(11)	50	2,952	(13)	2,939
Commodity Traders	7,489	(4)	7,485	61	(1)	60	581	(425)	156	8,131	(430)	7,701
Metals & Mining	3,261	–	3,261	238	(2)	236	284	(129)	155	3,783	(131)	3,652
Construction	2,235	(1)	2,234	638	(9)	629	411	(335)	76	3,284	(345)	2,939
Commercial Real Estate	13,254	(51)	13,203	1,454	(113)	1,341	1,600	(945)	655	16,308	(1,109)	15,199
Hotels & Tourism	1,555	(2)	1,553	83	(1)	82	130	(26)	104	1,768	(29)	1,739
Oil & Gas	5,944	(10)	5,934	477	(10)	467	824	(394)	430	7,245	(414)	6,831
Total	36,444	(68)	36,376	3,136	(138)	2,998	3,891	(2,265)	1,626	43,471	(2,471)	41,000
Total Corporate, Commercial & Institutional Banking	118,179	(105)	118,074	8,059	(280)	7,779	6,038	(3,724)	2,314	132,276	(4,109)	128,167
Total Group	321,691	(457)	321,234	10,675	(412)	10,263	7,765	(4,523)	3,242	340,131	(5,392)	334,739

1 In addition, the Group has classified as HFS \$3.3 billion of aircraft under operating leases and \$0.9 billion of Aviation loans

Capital review

Capital ratios

	30.09.23	30.06.23	Change ³	31.12.22	Change ³
CET1	13.9%	14.0%	(0.1)	14.0%	(0.1)
Tier 1 capital	16.2%	16.2%	(0.0)	16.6%	(0.4)
Total capital	21.2%	21.1%	0.1	21.7%	(0.5)

Capital base¹

	30.09.23 \$million	30.06.23 \$million	Change ⁴ %	31.12.22 \$million	Change ⁴ %
CET1 instruments and reserves					
Capital instruments and the related share premium accounts	5,352	5,389	(1)	5,436	(2)
Of which: share premium accounts	3,989	3,989	–	3,989	–
Retained earnings	25,202	26,549	(5)	25,154	–
Accumulated other comprehensive income (and other reserves)	7,838	7,932	(1)	8,165	(4)
Non-controlling interests (amount allowed in consolidated CET1)	215	190	13	189	14
Independently reviewed interim and year-end profits	2,586	2,386	8	2,988	(13)
Foreseeable dividends	(446)	(377)	18	(648)	(31)
CET1 capital before regulatory adjustments	40,747	42,069	(3)	41,284	(1)
CET1 regulatory adjustments					
Additional value adjustments (prudential valuation adjustments)	(613)	(693)	(12)	(854)	(28)
Intangible assets (net of related tax liability)	(5,940)	(5,825)	2	(5,802)	2
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(31)	(86)	(64)	(76)	(59)
Fair value reserves related to net losses on cash flow hedges	195	317	(38)	564	(65)
Deduction of amounts resulting from the calculation of excess expected loss	(710)	(787)	(10)	(684)	4
Net gains on liabilities at fair value resulting from changes in own credit risk	203	203	–	63	nm ⁵
Defined-benefit pension fund assets	(113)	(134)	(16)	(116)	(3)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(84)	(64)	31	(90)	(7)
Exposure amounts which could qualify for risk weighting of 1,250%	(36)	(52)	(31)	(103)	(65)
Other regulatory adjustments to CET1 capital ²	(49)	(52)	(6)	(29)	69
Total regulatory adjustments to CET1	(7,178)	(7,173)	–	(7,127)	1
CET1 capital	33,569	34,896	(4)	34,157	(2)
Additional Tier 1 capital (AT1) instruments	5,512	5,512	–	6,504	(15)
AT1 regulatory adjustments	(20)	(20)	–	(20)	–
Tier 1 capital	39,061	40,388	(3)	40,641	(4)
Tier 2 capital instruments	12,081	12,311	(2)	12,540	(4)
Tier 2 regulatory adjustments	(30)	(30)	–	(30)	–
Tier 2 capital	12,051	12,281	(2)	12,510	(4)
Total capital	51,112	52,669	(3)	53,151	(4)
Total risk-weighted assets (unaudited)	241,506	249,117	(3)	244,711	(1)

1 Capital base is prepared on the regulatory scope of consolidation

2 Other regulatory adjustments to CET1 capital includes insufficient coverage for non-performing exposures of \$(49) million

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

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

5 Not meaningful

Capital review continued

Movement in total capital

	9 months ended 30.09.23 \$million	12 months ended 31.12.22 \$million
CET1 at 1 January	34,157	38,362
Ordinary shares issued in the period and share premium	–	–
Share buy-back	(2,000)	(1,258)
Profit for the period	2,586	2,988
Foreseeable dividends deducted from CET1	(446)	(648)
Difference between dividends paid and foreseeable dividends	(344)	(301)
Movement in goodwill and other intangible assets	(138)	(1,410)
Foreign currency translation differences	(866)	(1,892)
Non-controlling interests	26	(12)
Movement in eligible other comprehensive income	385	(1,224)
Deferred tax assets that rely on future profitability	45	74
Decrease/(increase) in excess expected loss	(26)	(104)
Additional value adjustments (prudential valuation adjustment)	241	(189)
IFRS 9 transitional impact on regulatory reserves including day one	(106)	(146)
Exposure amounts which could qualify for risk weighting	67	(67)
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	6	(30)
Others	(18)	14
CET1 at 30 September/31 December	33,569	34,157
AT1 at 1 January	6,484	6,791
Net issuances (redemptions)	(1,000)	241
Foreign currency translation difference	8	9
Excess on AT1 grandfathered limit (ineligible)	–	(557)
AT1 at 30 September/31 December	5,492	6,484
Tier 2 capital at 1 January	12,510	12,491
Regulatory amortisation	1,573	778
Net issuances (redemptions)	(2,042)	(1,098)
Foreign currency translation difference	(6)	(337)
Tier 2 ineligible minority interest	13	102
Recognition of ineligible AT1	–	557
Other	3	17
Tier 2 capital at 30 September/31 December	12,051	12,510
Total capital at 30 September/31 December	51,112	53,151

Capital review continued

Risk-weighted assets by business

	30.09.23			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	104,015	18,083	21,288	143,386
Consumer, Private & Business Banking	41,582	8,783	–	50,365
Ventures	1,749	35	2	1,786
Central & other items	40,948	960	4,061	45,969
Total risk-weighted assets	188,294	27,861	25,351	241,506

	30.06.23			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	109,343	18,083	19,832	147,258
Consumer, Private & Business Banking	41,881	8,783	–	50,664
Ventures	1,888	35	2	1,925
Central & other items	44,039	960	4,271	49,270
Total risk-weighted assets	197,151	27,861	24,105	249,117

	31.12.22			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	110,103	17,039	16,440	143,582
Consumer, Private & Business Banking	42,091	8,639	–	50,730
Ventures	1,350	6	2	1,358
Central & other items	43,311	1,493	4,237	49,041
Total risk-weighted assets	196,855	27,177	20,679	244,711

Risk-weighted assets by geographic region

	30.09.23 \$million	30.06.23 \$million	Change ¹ %	31.12.22 \$million	Change ¹ %
ASIA	150,842	155,410	(3)	150,816	–
Africa & Middle East	38,529	41,068	(6)	40,716	(5)
Europe & Americas	48,227	48,787	(1)	50,174	(4)
Central & other items	3,908	3,852	1	3,005	30
Total risk-weighted assets	241,506	249,117	(3)	244,711	(1)

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

Capital review continued

Movement in risk-weighted assets

	Credit risk							
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million	Operational risk \$million	Market risk \$million	Total risk \$million
At 31 December 2021	125,813	42,731	756	50,288	219,588	27,116	24,529	271,233
At 1 January 2022	125,813	42,731	756	50,288	219,588	27,116	24,529	271,233
Asset growth & mix	(13,213)	(985)	594	(10,033)	(23,637)	–	–	(23,637)
Asset quality	(4,258)	431	–	7,344	3,517	–	–	3,517
Risk-weighted assets efficiencies	–	–	–	–	–	–	–	–
Model updates	4,329	1,420	–	–	5,749	–	(1,000)	4,749
Methodology and policy changes	2,024	85	–	93	2,202	–	1,500	3,702
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign currency translation	(4,883)	(1,591)	–	(3,376)	(9,850)	–	–	(9,850)
Other, including non-credit risk movements	291	–	–	(1,005)	(714)	61	(4,350)	(5,003)
At 31 December 2022	110,103	42,091	1,350	43,311	196,855	27,177	20,679	244,711
Asset growth & mix	(3,506)	843	399	(78)	(2,342)	–	–	(2,342)
Asset quality	(322)	(14)	–	779	443	–	–	443
Risk-weighted assets efficiencies	–	–	–	(688)	(688)	–	–	(688)
Model updates	(597)	(153)	–	(151)	(901)	–	1,300	399
Methodology and policy changes	–	(196)	–	–	(196)	–	(600)	(796)
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign currency translation	(1,663)	(989)	–	(2,225)	(4,877)	–	–	(4,877)
Other, including non-credit risk movements	–	–	–	–	–	684	3,972	4,656
At 30 September 2023	104,015	41,582	1,749	40,948	188,294	27,861	25,351	241,506

Capital review continued

Leverage Ratio

	30.09.23 \$million	30.06.23 \$million	Change ³ %	31.12.22 \$million	Change ³ %
Tier 1 capital (transitional)	39,061	40,388	(3)	40,641	(4)
Additional Tier 1 capital subject to phase out	–	–	–	–	–
Tier 1 capital (end point)	39,061	40,388	(3)	40,641	(4)
Derivative financial instruments	62,449	60,388	3	63,717	(2)
Derivative cash collateral	10,035	9,304	8	12,515	(20)
Securities financing transactions (SFTs)	85,481	87,118	(2)	89,967	(5)
Loans and advances and other assets	667,868	681,901	(2)	653,723	2
Total on-balance sheet assets	825,833	838,711	(2)	819,922	1
Regulatory consolidation adjustments ¹	(105,534)	(102,523)	3	(71,728)	47
Derivatives adjustments					
Derivatives netting	(46,329)	(44,747)	4	(47,118)	(2)
Adjustments to cash collateral	(8,725)	(7,267)	20	(10,640)	(18)
Net written credit protection	1,139	931	22	548	nm ⁴
Potential future exposure on derivatives	40,737	39,239	4	35,824	14
Total derivatives adjustments	(13,178)	(11,844)	11	(21,386)	(38)
Counterparty risk leverage exposure measure for SFTs	4,586	7,591	(40)	15,553	(71)
Off-balance sheet items	119,136	120,355	(1)	119,049	–
Regulatory deductions from Tier 1 capital	(7,297)	(7,311)	–	(7,099)	3
Total exposure measure excluding claims on central banks	823,546	844,979	(3)	854,311	(4)
Leverage ratio excluding claims on central banks (%)²	4.7%	4.8%	(0.1)	4.8%	(0.1)
Average leverage exposure measure excluding claims on central banks	838,666	842,493	–	864,605	(3)
Average leverage ratio excluding claims on central banks (%)²	4.7%	4.7%	(0.0)	4.7%	(0.0)
Countercyclical leverage ratio buffer²	0.1%	0.1%	–	0.1%	–
G-SII additional leverage ratio buffer²	0.4%	0.4%	–	0.4%	–

1 Includes adjustment for qualifying central bank claims

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

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

4 Not meaningful

Financial statements

Condensed consolidated interim income statement

For the nine months ended 30 September 2023

	9 months ended 30.09.23 \$million	9 months ended 30.09.22 \$million
Interest income	20,218	9,872
Interest expense	(14,309)	(4,302)
Net interest income	5,909	5,570
Fees and commission income	3,153	3,062
Fees and commission expense	(622)	(538)
Net fee and commission income	2,531	2,524
Net trading income	4,805	4,128
Other operating income	405	332
Operating income	13,650	12,554
Staff costs	(6,255)	(5,724)
Premises costs	(313)	(296)
General administrative expenses	(1,149)	(1,118)
Depreciation and amortisation	(821)	(886)
Operating expenses	(8,538)	(8,024)
Operating profit before impairment losses and taxation	5,112	4,530
Credit impairment	(453)	(490)
Goodwill, property, plant and equipment and other impairment	(811)	(46)
Profit from associates and joint ventures	108	169
Profit before taxation	3,956	4,163
Taxation	(1,432)	(997)
Profit for the period	2,524	3,166
Profit attributable to:		
Non-controlling interests	(9)	(10)
Parent company shareholders	2,533	3,176
Profit for the period	2,524	3,166
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	74.9	94.8
Diluted earnings per ordinary share	73.3	93.0

Financial statements continued

Condensed consolidated interim statement of comprehensive income

For the nine months ended 30 September 2023

	9 months ended 30.09.23 \$million	9 months ended 30.09.22 \$million
Profit for the period	2,524	3,166
Other comprehensive (loss)/income:		
Items that will not be reclassified to income statement:	(84)	88
Own credit (losses)/gains on financial liabilities designated at fair value through profit or loss	(137)	145
Equity instruments at fair value through other comprehensive income	66	(78)
Actuarial gains on retirement benefit obligations	14	39
Taxation relating to components of other comprehensive income	(27)	(18)
Items that may be reclassified subsequently to income statement:	(364)	(4,407)
Exchange differences on translation of foreign operations:		
Net losses taken to equity	(1,363)	(3,338)
Net gains on net investment hedges	446	906
Share of other comprehensive loss from associates and joint ventures	(5)	(82)
Debt instruments at fair value through other comprehensive income:		
Net valuation gains/(losses) taken to equity	113	(1,460)
Reclassified to income statement	108	53
Net impact of expected credit losses	(51)	33
Cash flow hedges:		
Net movements in cash flow hedge reserve ¹	422	(758)
Taxation relating to components of other comprehensive income	(34)	239
Other comprehensive loss for the period, net of taxation	(448)	(4,319)
Total comprehensive income/(loss) for the period	2,076	(1,153)
Total comprehensive income/(loss) attributable to:		
Non-controlling interests	(46)	(64)
Parent company shareholders	2,122	(1,089)
Total comprehensive income/(loss) for the period	2,076	(1,153)

1 This line item is represented in 2023 as a net balance of all movements in the cash flow hedge reserve

Financial statements continued

Condensed consolidated interim balance sheet

As at 30 September 2023

	30.09.23 \$million	31.12.22 \$million
Assets		
Cash and balances at central banks	89,137	58,263
Financial assets held at fair value through profit or loss	122,307	105,812
Derivative financial instruments	62,449	63,717
Loans and advances to banks	46,111	39,519
Loans and advances to customers	281,009	310,647
Investment securities	157,002	172,448
Other assets	49,133	50,383
Current tax assets	479	503
Prepayments and accrued income	2,989	3,149
Interests in associates and joint ventures	1,062	1,631
Goodwill and intangible assets	5,997	5,869
Property, plant and equipment	2,159	5,522
Deferred tax assets	686	834
Assets classified as held for sale	5,313	1,625
Total assets	825,833	819,922
Liabilities		
Deposits by banks	29,744	28,789
Customer accounts	453,157	461,677
Repurchase agreements and other similar secured borrowing	14,286	2,108
Financial liabilities held at fair value through profit or loss	79,712	79,903
Derivative financial instruments	63,590	69,862
Debt securities in issue	68,958	61,242
Other liabilities	46,893	43,527
Current tax liabilities	769	583
Accruals and deferred income	6,538	5,895
Subordinated liabilities and other borrowed funds	11,607	13,715
Deferred tax liabilities	743	769
Provisions for liabilities and charges	319	383
Retirement benefit obligations	140	146
Liabilities included in disposal groups held for sale	1,021	1,307
Total liabilities	777,477	769,906
Equity		
Share capital and share premium account	6,846	6,930
Other reserves	7,838	8,165
Retained earnings	27,782	28,067
Total parent company shareholders' equity	42,466	43,162
Other equity instruments	5,512	6,504
Total equity excluding non-controlling interests	47,978	49,666
Non-controlling interests	378	350
Total equity	48,356	50,016
Total equity and liabilities	825,833	819,922

Financial statements continued

Condensed consolidated statement of changes in equity

For the nine months ended 30 September 2023

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves \$million	Own credit adjustment reserve \$million	Fair value through other comprehensive income reserve – debt \$million	Fair value through other comprehensive income reserve – equity \$million	Cash flow hedge reserve \$million	Translation reserve \$million	Retained earnings \$million	Parent company shareholders' equity \$million	Other equity instruments \$million	Non-controlling interests \$million	Total \$million
As at 01 January 2022	5,528	1,494	17,246	(15)	103	249	(34)	(5,744)	27,184	46,011	6,254	371	52,636
Profit/(loss) for the period	–	–	–	–	–	–	–	–	2,948	2,948	–	(46)	2,902
Other comprehensive (loss) /income	–	–	–	(48)	(1,219)	(43)	(530)	(1,904)	8 ²	(3,736)	–	(42)	(3,778)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(31)	(31)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	1,240	–	1,240
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(999)	–	(999)
Treasury shares net movement	–	–	–	–	–	–	–	–	(203)	(203)	–	–	(203)
Share option expenses	–	–	–	–	–	–	–	–	163	163	–	–	163
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(393)	(393)	–	–	(393)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(401)	(401)	–	–	(401)
Share buy-back ^{3,4}	(92)	–	92	–	–	–	–	–	(1,258)	(1,258)	–	–	(1,258)
Other movements	–	–	–	–	–	–	–	12 ⁵	19 ⁶	31	9 ⁵	98 ⁷	138
As at 31 December 2022	5,436	1,494	17,338	(63)	(1,116)	206	(564)	(7,636)	28,067	43,162	6,504	350	50,016
Profit/(loss) for the period	–	–	–	–	–	–	–	–	2,533	2,533	–	(9)	2,524
Other comprehensive (loss) /income	–	–	–	(140)	183	43	369	(880)	14 ²	(411)	–	(37)	(448)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(17)	(17)
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(1,000)	–	(1,000)
Treasury shares net movement	–	–	–	–	–	–	–	–	23	23	–	–	23
Share option expenses	–	–	–	–	–	–	–	–	140	140	–	–	140
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(569)	(569)	–	–	(569)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(423)	(423)	–	–	(423)
Share buy-back ^{8,9}	(84)	–	84	–	–	–	–	–	(2,000)	(2,000)	–	–	(2,000)
Other movements	–	–	–	–	–	–	–	14 ⁵	(3)	11	8 ⁵	91 ¹⁰	110
As at 30 September 2023	5,352	1,494	17,422	(203)	(933)	249	(195)	(8,502)	27,782	42,466	5,512	378	48,356

1 Includes capital reserve of \$5 million, capital redemption reserve of \$306 million and merger reserve of \$17,111 million

2 Comprises actuarial gain, net of taxation on Group defined benefit schemes

3 On 18 February 2022, 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 were \$56 million, and the total consideration paid was \$754 million (including \$4 million of fees and stamp duty), the buy-back completed on 19 May 2022. The total number of shares purchased was 111,295,408 representing 3.61 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

4 On 1 August 2022, 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 were \$37 million, and the total consideration paid was \$504 million (including \$2.5 million of fees and stamp duty). The total number of shares purchased was 73,073,837 representing 2.5 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

5 Movement related to Translation adjustment and AT1 Securities charges

6 Movements mainly related to \$21 million minority interest on Power2SME Pte Limited, \$8 million on Currency Fair and \$(9) million AT1 securities charges

7 Movements related to non-controlling interest from Mox Bank Limited (\$39 million), Trust Bank Singapore Ltd (\$47 million), Zodia Market Holdings Limited (\$3 million) and Power2SME (\$9 million)

8 On 16 February 2023, 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 \$58 million, and the total consideration paid was \$1,000 million and the buy-back completed on 29 September 2023. The total number of shares purchased was 116,710,492 representing 4.03 per cent of the ordinary shares in issue at the commencement of buy-back. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

9 On 28 July 2023, the Group announced an additional buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. As at Q3 2023 the buyback is ongoing, but the nominal value of share purchases was \$26 million, for total consideration of \$467 million and a further \$533 million relating to irrevocable obligation to buy back shares recognised. The total number of shares purchased was 51,012,391 representing 1.76 per cent of the ordinary shares in issue as at commencement of buy-back announced on 16 February 2023. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

10 Movements related to non-controlling interest from Mox Bank Limited (\$27 million), Trust Bank Singapore Ltd (\$33 million), Zodia Custody Limited (\$27 million) and Zodia Market Holdings Limited (\$3 million)

Financial statements continued

Basis of preparation

This statement covers the results of Standard Chartered PLC together with its subsidiaries and equity accounted interest in associates and jointly controlled entities (the Group) for the nine months ended 30 September 2023. 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 material accounting policies are described in the Annual Report 2022, which have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and in conformity with the requirements of the Companies Act 2006. There are no significant differences between UK-adopted international accounting standards and EU IFRS. The Group's Annual Report 2023 will continue to be prepared in accordance with these frameworks.

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 or EU IFRS. 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 and EU IFRS.

The information in this interim financial report is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. All references to reported performance/results within this interim financial report means amounts reported under UK-adopted IAS and EU IFRS or in reference to the statutory accounts for the year ended 31 December 2022, unless otherwise stated. This document was approved by the Board on 26 October 2023. The statutory accounts for the year ended 31 December 2022 have been audited and delivered to the Registrar of Companies in England and Wales. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498(2) and 498(3) of the Companies Act 2006.

Going concern

The Directors assessed the Group's ability to continue as a going concern, including a review of the Group's forecasts, Funding and Liquidity metrics, Capital and Liquidity plans, Legal and regulatory matters, Credit impairment, macroeconomic conditions and geopolitical headwinds, and confirm they are satisfied that the Group has adequate resources to continue in business for a period of twelve months from 26 October 2023. 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 30.09.23					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	9,695	77,108	856	4.40	3.91
Gross loans and advances to banks	36,845	45,425	553	4.83	2.67
Gross loans and advances to customers	52,375	292,097	4,249	5.77	4.89
Impairment provisions against loans and advances to banks and customers	–	(5,794)	–	–	–
Investment securities – Treasury and Other Eligible Bills	6,566	29,675	404	5.40	4.42
Investment securities – Debt Securities	30,781	130,004	1,319	4.03	3.25
Investment securities – Equity Shares	2,978	–	–	–	–
Property, plant and equipment and intangible assets	9,376	–	–	–	–
Prepayments, accrued income and other assets	124,890	11,199	10	0.35	0.03
Investment associates and joint ventures	1,811	–	–	–	–
Total average assets	275,317	579,713	7,391	5.06	3.43

3 months ended 30.06.23					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	10,525	67,800	696	4.12	3.56
Gross loans and advances to banks	36,126	43,650	504	4.63	2.53
Gross loans and advances to customers	53,352	293,704	3,731	5.10	4.31
Impairment provisions against loans and advances to banks and customers	–	(5,907)	–	–	–
Investment securities – Treasury and Other Eligible Bills	6,901	33,193	402	4.86	4.02
Investment securities – Debt Securities	27,792	132,144	1,175	3.57	2.95
Investment securities – Equity Shares	3,132	–	–	–	–
Property, plant and equipment and intangible assets	9,283	–	–	–	–
Prepayments, accrued income and other assets	121,613	5,227	34	2.61	0.11
Investment associates and joint ventures	1,864	–	–	–	–
Total average assets	270,589	569,811	6,542	4.61	3.12

3 months ended 30.09.22					
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	19,499	53,944	254	1.87	1.37
Gross loans and advances to banks	29,266	43,838	242	2.19	1.31
Gross loans and advances to customers	61,540	300,575	2,708	3.57	2.97
Impairment provisions against loans and advances to banks and customers	–	(5,101)	–	–	–
Investment securities – Treasury and Other Eligible Bills	4,970	25,807	174	2.67	2.24
Investment securities – Debt Securities	24,902	138,193	698	2.00	1.70
Investment securities – Equity Shares	3,554	–	–	–	–
Property, plant and equipment and intangible assets	8,938	–	–	–	–
Prepayments, accrued income and other assets	151,323	5,251	11	0.83	0.03
Investment associates and joint ventures	2,149	–	–	–	–
Total average assets	306,141	562,507	4,087	2.88	1.87

Other supplementary financial information continued

Average liabilities

	3 months ended 30.09.23				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %	Rate paid total balance %
Deposits by banks	15,039	23,630	222	3.73	2.28
Customer accounts:					
Current accounts	40,444	124,332	1,027	3.28	2.47
Savings deposits	–	111,053	511	1.83	1.83
Time deposits	15,791	189,619	2,182	4.57	4.21
Other deposits	41,916	6,726	275	16.20	2.24
Debt securities in issue	11,499	64,598	989	6.07	5.16
Accruals, deferred income and other liabilities	134,587	15,978	23	0.58	0.06
Subordinated liabilities and other borrowed funds	–	12,361	237	7.61	7.61
Non-controlling interests	403	–	–	–	–
Shareholders' funds	47,053	–	–	–	–
	306,732	548,297	5,466	3.96	2.54
Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets			(455)		
Total average liabilities and shareholders' funds	306,732	548,297	5,011	3.63	2.33

	3 months ended 30.06.23				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %	Rate paid total balance %
Deposits by banks	15,171	24,910	345	5.56	3.45
Customer accounts:					
Current accounts	43,112	121,293	765	2.53	1.87
Savings deposits	–	110,556	456	1.65	1.65
Time deposits	15,373	189,493	2,058	4.36	4.03
Other deposits	43,903	1,390	17	4.91	0.15
Debt securities in issue	11,496	66,764	731	4.39	3.75
Accruals, deferred income and other liabilities	125,268	9,649	47	1.95	0.14
Subordinated liabilities and other borrowed funds	–	12,090	145	4.81	4.81
Non-controlling interests	388	–	–	–	–
Shareholders' funds	49,544	–	–	–	–
	304,256	536,145	4,564	3.41	2.18
Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets			(452)		
Total average liabilities and shareholders' funds	304,256	536,145	4,112	3.08	1.96

1 Interest expense has been re-presented between account lines

Other supplementary financial information continued

3 months ended 30.09.22

	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %	Rate paid total balance %
Deposits by banks	15,714	25,834	69	1.06	0.66
Customer accounts:					
Current accounts	50,125	126,991	429	1.34	0.96
Savings deposits	–	127,695	212	0.66	0.66
Time deposits	11,685	152,130	853	2.22	2.07
Other deposits	53,762	4,795	34	2.81	0.23
Debt securities in issue	6,928	61,157	358	2.32	2.09
Accruals, deferred income and other liabilities	153,546	9,234	21	0.90	0.05
Subordinated liabilities and other borrowed funds	–	14,805	179	4.80	4.80
Non-controlling interests	429	–	–	–	–
Shareholders' funds	53,816	–	–	–	–
	346,006	522,641	2,155	1.64	0.98
Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets			(91)		
Total average liabilities and shareholders' funds	346,006	522,641	2,064	1.57	0.94

Net Interest Margin

	3Q'23 \$million	2Q'23 \$million	3Q'22 \$million
Interest income (reported)	7,391	6,542	4,087
Average interest earning assets	579,713	569,811	562,507
Gross yield (%)	5.06	4.61	2.88
Interest expense (reported)	5,466	4,564	2,155
Adjustment for Financial Markets funding costs and financial guarantee fees on interest earning assets	(455)	(452)	(91)
Interest expense adjusted for Financial Markets funding costs and financial guarantee fees on interest earning assets	5,011	4,112	2,064
Average interest-bearing liabilities	548,297	536,145	522,641
Rate paid (%)	3.63	3.08	1.57
Net yield (%)	1.43	1.53	1.31
Net interest income adjusted for Financial Markets funding costs and Financial guarantee fees on interest earning assets	2,380	2,430	2,023
Net interest margin (%)	1.63	1.71	1.43

Other supplementary financial information continued

Important Notice – Forward-looking statements

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

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive; market forces or condition; future exchange and interest rates; changes in environmental, social or physical risks; legislative, regulatory and policy developments; the development of standards and interpretations; the ability of the Group to mitigate the impact of climate change effectively; risks arising out of health crisis and pandemics, changes in tax rates, future business combinations or dispositions; and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

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

Please refer to the Group's 2022 Annual Report for a discussion of certain risks and factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Financial instruments

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

Caution regarding climate and environment related information

Some of the climate and environment related information in this document is subject to certain limitations, and therefore the reader should treat the information provided, as well as conclusions, projections and assumptions drawn from such information, with caution. The information may be limited due to a number of factors, which include (but are not limited to): a lack of reliable data; a lack of standardisation of data; and future uncertainty. The information includes externally sourced data that may not have been verified. Furthermore, some of the data, models and methodologies used to create the information is subject to adjustment which is beyond our control, and the information is subject to change without notice.

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