

Standard Chartered PLC

3Q'22 Results

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

The information within this report is unaudited.

Unless the context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Asia includes Australia, Bangladesh, Brunei, Cambodia, Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Macau, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam; Africa & Middle East (AME) includes Angola, Bahrain, Botswana, Cameroon, Cote d'Ivoire, Egypt, The Gambia, Ghana, Iraq, Jordan, Kenya, Lebanon, Mauritius, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Sierra Leone, South Africa, Tanzania, the United Arab Emirates (UAE), Uganda, Zambia and Zimbabwe; and Europe & Americas (EA) includes Argentina, Brazil, Colombia, Falkland Islands, France, Germany, Ireland, Jersey, Poland, Sweden, Turkey, the UK and the US. Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and nm stands for not meaningful.

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

Standard Chartered PLC – third quarter 2022 Results

All figures are presented on an underlying basis and comparisons are made to 2021 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on pages 27-30.

Bill Winters, Group Chief Executive, said:

"We have posted a strong set of results in the third quarter, with income up 22 per cent on a normalised basis and profit before tax up 35 per cent year on year. We also continue to make significant progress against the five strategic actions outlined in February, including the completion of the \$500m share buy-back announced at the 2Q'22 results, taking total shareholder distributions announced this year to \$1.4bn. We remain confident in the delivery of our 2024 financial targets"

Update on strategic actions

- **CCIB: drive improved returns:** Income RoRWA of 6.3% year-to-date (YTD), up 140bps on FY'21; \$10.5bn of RWA optimisation initiatives delivered so far this year
- **CPBB: transform profitability:** Cost-to-income ratio of 69% YTD, down 4%pts from FY'21; \$173m of gross expense savings delivered YTD; well on track to deliver \$200m target in 2022
- **Seize China opportunity:** China YTD on-shore income up 11% YoY at constant currency (ccy); off-shore income up 16% YoY
- **Cost discipline to create operational leverage:** \$330m of total gross structural cost savings delivered YTD
- **Substantial shareholder distributions:** \$1.4bn of total shareholder distributions announced so far this year

Other highlights

- **Ventures:** Launched the Singapore digital bank, Trust, in partnership with FairPrice Group; ~200k accounts already opened
- **Sustainability:** Sustainable Finance income up 33% YoY; leading in product innovation with >30 product variants live

Selected information concerning 3Q'22 financial performance

- Return on tangible equity of 10.1%, up 380bps year-on-year (YoY)
- **Income** up 15% to \$4.3bn, up 22% at ccy, on a normalised basis (excluding the debit valuation adjustment (DVA) and the 2021 IFRS9 interest income adjustment)
 - Net interest income up 24% at ccy on a normalised basis
 - Record third quarter in Financial Markets up 21%, at ccy on a normalised basis
 - Wealth Management down 15% at ccy, with the largest market, Hong Kong also down 15% at ccy
 - Net interest margin (NIM) up 8bps QoQ to 1.43%, due to rising interest rates partly offset by product mix change and hedges
- **Expenses** increased 3% YoY to \$2.7bn, or up 9% at ccy
 - Increased investment spend, salary inflation and performance-related pay accruals
 - Positive 10% income-to-cost jaws at ccy and excluding DVA; cost-to-income ratio down to 62% (3Q'21: 69%)
- **Credit impairment** charge of \$227m, up \$120m YoY; up \$160m QoQ
 - Includes \$130m for China CRE exposures and \$96m from sovereign downgrades relating to Pakistan and Ghana
 - Total management overlay now \$204m; COVID-19 overlay down \$39m to \$51m and China CRE overlay up \$27m to \$153m
 - High-risk assets down \$2.0bn QoQ, mainly driven by a reduction in Early Alert accounts
 - Loan-loss rate of 18bps year-to-date annualised
- **Underlying profit before tax** up 35% at ccy to \$1.4bn; statutory profit before tax up 43% at ccy to \$1.4bn
- The Group's **balance sheet** remains strong, highly liquid and well diversified
 - Customer loans and advances up \$5bn or 2% since 30.06.22; up 1% on an underlying basis
 - Advances-to-deposit ratio 58.1% (30.06.22: 59.6%); liquidity coverage ratio 156% (30.06.22:142%)
- **Risk-weighted assets** (RWA) of \$252bn down \$3bn since 30.06.22
 - Credit RWA down \$3bn, Market risk RWA broadly flat and no change to Operational risk RWA
- The Group remains strongly capitalised
 - **CET1 ratio** 13.7% (30.06.22: 13.9%); in the upper half of the 13 to 14% target
- **Earnings per share** increased 10 cents or 43% to 33.1 cents

Outlook

Our performance this year has been strong, and the pace of economic recovery in many of our footprint markets is encouraging, notwithstanding increasing recessionary pressures in certain western markets. Consequently, for full year 2022:

- Income (ex-DVA at ccy) is now expected to grow around 13%, in-line with the year-to-date growth
- Full year average NIM is expected to be around 140bps
- Expenses ex-UK bank levy are expected to be around \$10.6bn
- Credit impairment is expected to be slightly above the year-to-date annualised loan-loss rate of 18bps
- We intend to operate dynamically within the full 13-14% CET1 target range

We now expect greater NIM progression to average around 165bps in 2023, which combined with continued strong business momentum and positive income-to-cost jaws, means we remain on-track to deliver our 10% RoTE target in 2024, if not earlier.

Statement of results

	3 months ended 30.09.22 \$million	3 months ended 30.09.21 \$million	Change ¹ %
Underlying performance			
Operating income	4,318	3,765	15
Operating expenses (including UK bank levy)	(2,659)	(2,594)	(3)
Credit impairment	(227)	(107)	(112)
Other impairment	(32)	(35)	9
Profit from associates and joint ventures	16	46	(65)
Profit before taxation	1,416	1,075	32
Profit/(loss) attributable to ordinary shareholders ²	976	716	36
Return on ordinary shareholders' tangible equity (%)	10.1	6.3	380bps
Cost-to-income ratio (excluding bank levy) (%)	61.6	68.9	730bps
Statutory performance			
Operating income	4,329	3,764	15
Operating expenses	(2,696)	(2,647)	(2)
Credit impairment	(227)	(108)	(110)
Other impairment	(31)	(59)	47
Profit from associates and joint ventures	16	46	(65)
Profit before taxation	1,391	996	40
Taxation	(313)	(229)	(37)
Profit for the period	1,078	767	41
Profit/(loss) attributable to parent company shareholders	1,087	763	42
Profit/(loss) attributable to ordinary shareholders ²	964	644	50
Return on ordinary shareholders' tangible equity (%)	10.5	6.4	410bps
Cost-to-income ratio (including bank levy) (%)	62.3	70.3	800bps

	30.09.22 \$million	30.09.21 \$million	Change %
Balance sheet and capital			
Total assets	864,435	817,102	6
Total equity	50,003	53,335	(6)
Average tangible equity attributable to ordinary shareholders ²	36,569	39,948	(8)
Loans and advances to customers	298,390	302,493	(1)
Customer accounts	447,259	453,260	(1)
Risk-weighted assets	252,293	267,555	(6)
Total capital	53,491	58,871	(9)
Total capital (%)	21.2	22.0	(80)bps
Common Equity Tier 1	34,504	39,167	(12)
Common Equity Tier 1 ratio (%)	13.7	14.6	(90)bps
Net Interest Margin (%) (adjusted)	1.43	1.23	20bps
Advances-to-deposits ratio (%) ³	58.1	61.9	(3.8)
Liquidity coverage ratio (%)	156	145	11
Leverage ratio (%)	4.8	5.1	(30)bps
Information per ordinary share	Cents	Cents	Cents
Earnings per share – underlying ⁴	33.1	23.1	10
– statutory ⁴	32.7	20.7	12
Net asset value per share ⁵	1,433	1,468	(35)
Tangible net asset value per share ⁵	1,243	1,294	(51)
Number of ordinary shares at period end (millions)	2,905	3,078	(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 (%). 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 Profit/(loss) attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity

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

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

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

Group Chief Financial Officer's review

The Group delivered a strong performance in the third quarter of 2022

Summary of financial performance

	3Q'22 \$million	3Q'21 \$million	Change %	Constant currency change ¹ %	2Q'22 \$million	Change %	Constant currency change ¹ %	YTD'22 \$million	YTD'21 \$million	Change %	Constant currency change ¹ %
Net interest income	1,933	1,735	11	19	1,852	4	7	5,575	5,110	9	14
Other income	2,385	2,030	17	23	2,074	15	18	6,943	6,273	11	14
Underlying operating income	4,318	3,765	15	21	3,926	10	13	12,518	11,383	10	14
Other operating expenses	(2,659)	(2,594)	(3)	(9)	(2,636)	(1)	(4)	(7,931)	(7,680)	(3)	(8)
UK bank levy	–	–	nm ³	nm ³	5	(100)	(100)	5	(6)	183	200
Underlying operating expenses	(2,659)	(2,594)	(3)	(9)	(2,631)	(1)	(5)	(7,926)	(7,686)	(3)	(8)
Underlying operating profit before impairment and taxation	1,659	1,171	42	47	1,295	28	30	4,592	3,697	24	27
Credit impairment	(227)	(107)	(112)	(147)	(67)	nm ³	(194)	(494)	(60)	nm ³	nm ³
Other impairment	(32)	(35)	9	12	(1)	nm ³	nm ³	(34)	(60)	43	43
Profit from associates and joint ventures	16	46	(65)	(67)	90	(82)	(84)	169	180	(6)	(5)
Underlying profit before taxation	1,416	1,075	32	35	1,317	8	10	4,233	3,757	13	15
Restructuring	(25)	(99)	75	76	(37)	32	35	(70)	(222)	68	69
Other items	–	20	(100)	(100)	–	nm ³	nm ³	–	20	(100)	(100)
Statutory profit before taxation	1,391	996	40	43	1,280	9	11	4,163	3,555	17	19
Taxation	(313)	(229)	(37)	(52)	(371)	16	9	(997)	(860)	(16)	(23)
Profit for the period	1,078	767	41	41	909	19	19	3,166	2,695	17	18
Net interest margin (%) ²	1.43	1.23	20		1.35	8		1.36	1.23	13	
Underlying return on tangible equity (%) ²	10.1	6.3	380		8.9	120		10.1	8.7	140	
Underlying earnings per share (cents)	33.1	23.1	43		28.2	17		96.5	81.4	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 Change is the basis points (bps) difference between the two periods rather than the percentage change

3 Not meaningful

Statutory financial performance summary

	3Q'22 \$million	3Q'21 \$million	Change %	Constant currency change ¹ %	2Q'22 \$million	Change %	Constant currency change ¹ %	YTD'22 \$million	YTD'21 \$million	Change %	Constant currency change ¹ %
Net interest income	1,932	1,733	11	19	1,850	4	7	5,570	5,102	9	14
Other income	2,397	2,031	18	23	2,083	15	18	6,984	6,290	11	15
Statutory operating income	4,329	3,764	15	21	3,933	10	13	12,554	11,392	10	14
Statutory operating expenses	(2,696)	(2,647)	(2)	(8)	(2,663)	(1)	(5)	(8,024)	(7,868)	(2)	(7)
Statutory operating profit before impairment and taxation	1,633	1,117	46	51	1,270	29	30	4,530	3,524	29	32
Credit impairment	(227)	(108)	(110)	(145)	(66)	nm ³	(194)	(490)	(57)	nm ³	nm ³
Other impairment	(31)	(59)	47	49	(9)	nm ³	nm ³	(46)	(99)	54	54
Profit from associates and joint ventures	16	46	(65)	(65)	85	(81)	(81)	169	187	(10)	(9)
Statutory profit before taxation	1,391	996	40	43	1,280	9	11	4,163	3,555	17	19
Taxation	(313)	(229)	(37)	(52)	(371)	16	9	(997)	(860)	(16)	(23)
Profit for the period	1,078	767	41	41	909	19	19	3,166	2,695	17	18
Net interest margin (%) ²	1.43	1.23	20		1.35	8		1.36	1.23	13	
Statutory return on tangible equity (%) ²	10.5	6.4	410		8.7	180		10.1	7.9	220	
Statutory earnings per share (cents)	32.7	20.7	58		27.2	20		94.8	75.6	25	

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

Group Chief Financial Officer's review continued

The Group delivered a strong performance in the third quarter of 2022, generating an underlying return on tangible equity of 10.1 per cent with underlying profit before tax increasing 32 per cent. Income grew 22 per cent on a constant currency basis and excluding normalisation adjustments, with a continued strong performance in Financial Markets, with Cash Management and Retail Deposits benefitting from rising interest rates, which resulted in the net interest margin increasing 8 basis points in the quarter. Loans and advances to customers increased 1 per cent on an underlying basis in the quarter. Expenses increased 9 per cent at constant currency, due to investment spend, salary inflation, and performance-related pay accruals. The credit impairment charges in the quarter of \$227 million included further charges relating to the China Commercial Real Estate sector and the impact of sovereign-related downgrades. The Group remains well capitalised and highly liquid with a CET1 ratio of 13.7 per cent, an advances-to-deposits ratio of 58 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 2021 on a reported currency basis, unless otherwise stated.

- **Operating income** increased 15 per cent, or 22 per cent on a constant currency basis, normalising for a \$56 million positive movement in DVA and a non-repeat of the prior-year \$64 million IFRS9 interest income catch-up adjustment (IFRS9 adjustment). A strong Financial Markets performance and an expansion in the net interest margin benefitting Cash Management and Retail Deposits was partly offset by lower Wealth Management income and negative Treasury income
- **Net interest income** increased 11 per cent, or 24 per cent on a constant currency basis and excluding the IFRS9 adjustment. The net interest margin increased 23 per cent, or 27 basis points excluding the IFRS9 adjustment, offset in part by a year-on-year 7 basis points impact from hedges, as the Group took advantage of rising interest rates.
- **Other income** increased 17 per cent, or 15 per cent excluding the positive impact of movements in DVA, with continued strong Financial Markets performance partly offset by lower Wealth Management income
- **Operating expenses** were up 3 per cent, or up 9 per cent on a constant currency basis, reflecting the impact of inflation as well as an increase in performance-related pay accruals and headcount. Increased investment spend on transformational digital initiatives includes a double-digit percentage increase in amortisation charges. The Group generated a 10 per cent positive income-to-cost jaws at constant currency excluding DVA, while the cost-to-income ratio excluding the UK bank levy decreased 7 percentage points to 62 per cent
- **Credit impairment** charges increased by \$120 million to \$227 million and were \$160 million higher than in the prior quarter. There was a \$130 million charge relating to the China Commercial Real Estate portfolio, including a \$27 million increase in the management overlay, and a \$96 million charge relating to the sovereign ratings downgrade of Ghanaian and Pakistani exposures. The year-to-date loan-loss rate annualises to 18 basis points
- **Other impairment** was a \$32 million charge reflecting the impact of a higher interest rate environment on the discount rate used to value the aviation lease portfolio
- **Profit from associates and joint ventures** reduced \$30 million to \$16 million due to lower profits at China Bohai Bank
- Charges relating to **restructuring and other items** decreased \$74 million to \$25 million, reflecting an increase in restructuring income and a non-repeat of prior-year impairment of property
- **Taxation** was \$313 million on a statutory basis, with an underlying year-to-date effective tax rate of 24.0 per cent compared to the prior-year rate of 23.5 per cent reflecting a change in the geographic mix of profits
- **Underlying return on tangible equity** increased by 380 basis points to 10.1 per cent due to higher profits and lower tangible equity, reflecting shareholder distributions, including share buy-backs, and adverse movements in reserves due to movements in interest rates and currency translation

Group Chief Financial Officer's review continued

Operating income by product

	3Q'22 \$million	3Q'21 \$million	Change %	Constant currency change ¹ %	2Q'22 \$million	Change %	Constant currency change ¹ %	YTD'22 \$million	YTD'21 \$million	Change %	Constant currency change ¹ %
Transaction Banking	1,082	734	47	55	835	30	32	2,657	2,156	23	28
Trade & Working Capital ²³	344	389	(12)	(5)	343	–	4	1,049	1,099	(5)	(1)
Cash Management	738	345	114	124	492	50	52	1,608	1,057	52	57
Financial Markets ³	1,540	1,311	17	22	1,373	12	15	4,636	3,887	19	22
Macro Trading	734	540	36	43	664	11	14	2,338	1,783	31	35
Credit Markets ³	440	516	(15)	(13)	374	18	20	1,274	1,429	(11)	(9)
Credit Trading	156	144	8	12	87	79	83	353	377	(6)	(5)
Financing Solutions & Issuance ³	284	372	(24)	(22)	287	(1)	2	921	1,052	(12)	(11)
Structured Finance ³	116	159	(27)	(27)	102	14	15	312	387	(19)	(19)
Financing & Securities Services	195	97	101	113	198	(2)	1	537	290	85	90
DVA	55	(1)	nm ⁴	nm ⁴	35	57	60	175	(2)	nm ⁴	nm ⁴
Lending & Portfolio Management ²³	166	214	(22)	(20)	136	22	21	448	575	(22)	(20)
Wealth Management	455	559	(19)	(15)	458	(1)	2	1,443	1,759	(18)	(16)
Retail Products	1,109	828	34	44	955	16	19	2,913	2,523	15	22
CCPL & other unsecured lending	301	316	(5)	3	313	(4)	(1)	919	956	(4)	1
Deposits	625	205	nm ⁴	nm ⁴	363	72	76	1,236	647	91	104
Mortgage & Auto	141	260	(46)	(41)	235	(40)	(37)	623	775	(20)	(15)
Other Retail Products	42	47	(11)	(7)	44	(5)	(4)	135	145	(7)	(4)
Treasury	(4)	149	(103)	(98)	205	(102)	(99)	518	543	(5)	–
Other ³	(30)	(30)	–	47	(36)	17	50	(97)	(60)	(62)	6
Total underlying operating income	4,318	3,765	15	21	3,926	10	13	12,518	11,383	10	14

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

2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working Capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

3 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income

4 Not meaningful

Transaction Banking income increased 47 per cent. Cash Management income increased 114 per cent reflecting strong pricing discipline to take advantage of a rising interest rate environment. Trade & Working Capital decreased 12 per cent or 4 per cent on a constant currency basis excluding the IFRS9 adjustment, with balance sheet growth offset by margin compression. The margin compression reflects greater distribution activities and a shift in product mix towards lower margin but more RWA-efficient products.

Financial Markets income increased 17 per cent and was up 21 per cent on a constant currency basis and excluding normalisation adjustments. Macro Trading delivered another strong quarter, up 36 per cent, benefitting from wider bid-offer spreads, trading gains from elevated volatility, and increased client flow on the back of rising interest rates and demand for energy hedging. Credit Markets income decreased 15 per cent, with Financing Solutions & Issuance impacted by lower capital market issuances and non-repeat of the IFRS9 adjustment. Structured Finance income declined 27 per cent due to lower Aviation Finance income, while Financing & Security Services income doubled, including a further \$27 million from gains on mark to market liabilities, and a 17 per cent increase in Securities Services income on the back of rising interest rates.

Lending and Portfolio Management income decreased 22 per cent due to the impact of the IFRS9 adjustment and increased cost of funds.

Wealth Management income declined 19 per cent as major equity markets remained subdued across the footprint reducing transaction volumes, as well as from the impact of COVID-19 restrictions in key markets. Bancassurance income was down 15 per cent due to continued COVID-19 related restrictions while Wealth Management secured lending income nearly halved on the back of client deleveraging.

Retail Products income increased 34 per cent and was 44 per cent higher on a constant currency basis. Deposit income more than tripled due to active passthrough rate management in a rising interest rate environment, partly offset by migration from CASA to time deposits. On a constant currency basis, Mortgages & Auto income decreased 41 per cent due to margin compression as mortgages in Hong Kong reached the Best Lending Rate cap. Credit Cards & Personal Loans income decreased 5 per cent but was up 3 per cent on a constant currency basis reflecting a growth in credit card balances and increased fee income.

Treasury income was a \$4 million loss in the quarter primarily due to the \$97 million loss from structural and short-term hedges, which offset increased yields on the remainder of the Treasury portfolio and mark-to-market gains from FX swaps.

Group Chief Financial Officer's review continued

Profit before tax by client segment and geographic region

	3Q'22 \$million	3Q'21 \$million	Change %	Constant currency change ² %	2Q'22 \$million	Change %	Constant currency change ² %	YTD'22 \$million	YTD'21 \$million	Change %	Constant currency change ² %
Corporate, Commercial & Institutional Banking	1,285	868	48	53	868	48	51	3,252	2,689	21	24
Consumer, Private & Business Banking ¹	478	293	63	75	348	37	41	1,198	1,146	5	9
Ventures ¹	(85)	(62)	(37)	(41)	(74)	(15)	(18)	(236)	(185)	(28)	(30)
Central & other items (segment) ¹	(262)	(24)	nm ³	nm ³	175	nm ³	nm ³	19	107	(82)	(94)
Underlying profit before taxation	1,416	1,075	32	35	1,317	8	10	4,233	3,757	13	15
Asia	1,063	927	15	19	955	11	15	2,925	3,166	(8)	(5)
Africa & Middle East	163	222	(27)	(11)	279	(42)	(34)	744	697	7	14
Europe & Americas	293	161	82	92	192	53	54	997	498	100	103
Central & other items (region)	(103)	(235)	56	38	(109)	6	(21)	(433)	(604)	28	18
Underlying profit before taxation	1,416	1,075	32	35	1,317	8	10	4,233	3,757	13	15

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated

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 Not meaningful

Corporate, Commercial & Institutional Banking profit increased 48 per cent, or 42 per cent excluding DVA. Income grew 21 per cent excluding DVA with Cash Management benefitting from rising interest rates and strong Financial Markets activity partly offset by 3 per cent higher expenses and a \$58 million increase in credit impairments.

Consumer, Private & Business Banking profit increased 75 per cent on a constant currency basis, with income up 18 per cent as the benefit from higher interest rates was partly offset by subdued Wealth Management. Expenses increased 3 per cent while credit impairments were 24 per cent higher.

Ventures losses increased by over a third to \$85 million, reflecting the Group's continued investment in transformational digital initiatives with expenses increasing 45 per cent, while income was \$10 million in the quarter compared to zero in the same quarter last year.

Central & other items (segment) recorded a loss of \$262 million with an income loss of \$37 million reflecting the negative impact from hedges and lower profit share from China Bohai Bank. Expenses increased 15 per cent while credit impairments were \$45 million higher.

Asia profits increased 19 per cent on a constant currency basis as income grew 19 per cent, partly offset by 9 per cent growth in expenses with credit impairments increasing by \$109 million and China Bohai Bank profit share lower by \$25 million.

Africa & Middle East profits decreased 11 per cent on a constant currency basis as impairment charges have more than doubled reflecting the impact of sovereign downgrades. Income increased 8 per cent which was partly offset by expenses increasing 10 per cent.

Europe & Americas profit increased 82 per cent as income grew 23 per cent, or 17 per cent excluding positive movements in DVA, due to strong Financial Markets and Cash Management performance partly offset by losses in Treasury. Expenses increased 7 per cent while there was an increase in the credit impairment release.

Central & other items (region) recorded a loss of \$103 million, which is less than half the loss in the same quarter in 2021, with a \$85 million increase in income and \$35 million lower expenses.

Group Chief Financial Officer's review continued

Adjusted net interest income and margin

	3Q'22 \$million	3Q'21 \$million	Change ¹ %	2Q'22 \$million	Change ¹ %	YTD'22 \$million	YTD'21 \$million	Change ¹ %
Adjusted net interest income ²	2,023	1,732	17	1,888	7	5,720	5,107	12
Average interest-earning assets	562,509	557,416	1	561,493	–	564,382	557,283	1
Average interest-bearing liabilities	522,641	512,406	2	524,273	–	525,600	513,333	2
Gross yield (%) ³	2.88	1.84	104	2.21	67	2.34	1.85	49
Rate paid (%) ³	1.57	0.66	91	0.92	65	1.06	0.68	38
Net yield (%) ³	1.31	1.18	13	1.29	2	1.28	1.17	11
Net interest margin (%) ^{3,4}	1.43	1.23	20	1.35	8	1.36	1.23	13

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

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

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

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

Adjusted net interest income increased 17 per cent due to a 19 per cent increase in the net interest margin which averaged 143 basis points in the quarter, increasing 27 basis points year-on-year excluding the IFRS9 adjustment, and 8 basis points compared to the prior quarter:

- Average interest-earning assets were flat in the quarter with underlying asset growth offset by risk-weight asset optimisation actions and currency translation. Gross yields increased 67 basis points compared with the prior quarter due the impact of rising interest rates on customer loan pricing and on Treasury portfolio yields partly offset by a 11 basis point quarter-on-quarter impact from hedges
- Average interest-bearing liabilities were flat in the quarter. The rate paid on liabilities increased 65 basis points compared with the average in the prior quarter reflecting the impact of interest rate movements and migration from CASA to time deposits

Credit risk summary

Income statement

	3Q'22 \$million	3Q'21 \$million	Change ¹ %	2Q'22 \$million	Change ¹ %	YTD'22 \$million	YTD'21 \$million	Change ¹ %
Total credit impairment charge/(release)	227	107	112	67	239	494	60	723
Of which stage 1 and 2	178	30	493	71	151	168	(75)	(324)
Of which stage 3	49	77	(36)	(4)	(1,325)	326	135	141

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

Group Chief Financial Officer's review continued

Balance sheet

	30.09.22 \$million	30.06.22 \$million	Change ¹ %	31.12.21 \$million	Change ¹ %	30.09.21 \$million	Change ¹ %
Gross loans and advances to customers²	303,538	298,728	2	304,122	–	308,083	(1)
Of which stage 1	284,877	279,136	2	279,178	2	284,140	–
Of which stage 2	11,460	12,539	(9)	16,849	(32)	15,759	(27)
Of which stage 3	7,201	7,053	2	8,095	(11)	8,184	(12)
Expected credit loss provisions	(5,148)	(5,220)	(1)	(5,654)	(9)	(5,590)	(8)
Of which stage 1	(497)	(502)	(1)	(473)	5	(411)	21
Of which stage 2	(434)	(385)	13	(524)	(17)	(535)	(19)
Of which stage 3	(4,217)	(4,333)	(3)	(4,657)	(9)	(4,644)	(9)
Net loans and advances to customers	298,390	293,508	2	298,468	–	302,493	(1)
Of which stage 1	284,380	278,634	2	278,705	2	283,729	–
Of which stage 2	11,026	12,154	(9)	16,325	(32)	15,224	(28)
Of which stage 3	2,984	2,720	10	3,438	(13)	3,540	(16)
Cover ratio of stage 3 before/after collateral (%) ³	59 / 77	61 / 80	(2) / (3)	58 / 75	1 / 2	57 / 77	2 / 0
Credit grade 12 accounts (\$million)	1,140	835	37	1,730	(34)	2,175	(48)
Early alerts (\$million)	4,957	7,524	(34)	5,534	(10)	7,478	(34)
Investment grade corporate exposures (%) ³	75	71	4	69	6	68	7

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 \$18,032 million at 30 September 2022, \$7,894 million at 30 June 2022, \$7,331 million at 31 December 2021 and \$8,836 million at 30 September 2021

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

Asset quality remained resilient in the third quarter, despite a year-on-year increase in the credit impairment charge. However, the Group continues to remain alert to a volatile and challenging external environment including the pressures in the China Commercial Real Estate sector, continued impact of COVID-19 in a reducing number of key markets, commodity price volatility and the impact of the Russia/Ukraine war. This war in part contributed to both commodity price volatility and the accelerated trajectory of inflation and interest rate rises across our footprint, which in turn have driven a sustained appreciation of the US dollar versus the majority of developed and emerging market currencies. These factors have led to increased sovereign credit stress in a handful of our markets.

Credit impairment was a \$227 million charge in the quarter, a \$120 million increase, and represents an annualised year-to-date loan-loss rate of 18 basis points which is below the Group's medium-term guidance of 30-35 basis points.

The Stage 1 and 2 impairment charge of \$178 million includes \$96 million relating to the sovereign downgrade of Pakistan and Ghana and an additional \$14 million modelled impairment charges relating to the China Commercial Real Estate sector. There was a net \$12 million release from the management overlay, with a \$39 million release in the element relating to COVID-19, while the element relating to China Commercial Real Estate sector increased by \$27 million. The management overlay totals \$204 million as at 30 September 2022, with the COVID-19 element totalling \$51 million and \$153 million relating to the China Commercial Real Estate sector.

Stage 3 impairments of \$49 million include \$89 million relating to China Commercial Real Estate exposures and higher charge-offs in Consumer, Private and Business Banking partly offset by releases in Corporate, Commercial & Institutional Banking.

Gross Stage 3 loans and advances to customers of \$7.2 billion were 2 per cent higher compared to 30 June 2022 primarily due to the downgrade of select China Commercial Real Estate clients and the sovereign ratings downgrade of Sri Lankan local currency exposures. These credit-impaired loans represented 2.4 per cent of gross loans and advances, an increase of 1 basis points compared to 30 June 2022.

The Stage 3 cover ratio of 59 per cent decreased 2 percentage points compared with the position as at 30 June 2022, and the cover ratio post collateral of 77 per cent decreased by 3 percentage points, with both ratios decreasing due to lower coverage on new inflows into Stage 3.

Credit grade 12 balances have increased 37 per cent since 30 June 2022 reflecting the impact of the sovereign ratings downgrade of Ghanaian exposures into credit grade 12 as well as credit deterioration of select China Commercial Real Estate clients. This is partly offset by outflows into Stage 3 of Sri Lankan local currency exposures and specific China Commercial Real Estate exposures.

Early Alert accounts of \$5.0 billion have decreased by \$2.6 billion since 30 June 2022, due to client regularisations out of Early Alert and downgrades into credit grade 12. The Group is continuing to carefully monitor its exposures in vulnerable sectors and select markets, given the unusual stresses caused by the currently challenging macro-economic environment.

The proportion of investment grade corporate exposures has increased 4 percentage points since 30 June 2022 to 75 per cent, partly as a result of the increase in reverse repurchase agreement balances in the quarter.

Group Chief Financial Officer's review continued

Restructuring, goodwill impairment and other items

	3Q'22			3Q'21			2Q'22		
	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million
Operating income	11	–	–	(21)	–	20	7	–	–
Operating expenses	(37)	–	–	(53)	–	–	(32)	–	–
Credit impairment	–	–	–	(1)	–	–	1	–	–
Other impairment	1	–	–	(24)	–	–	(8)	–	–
Profit from associates and joint ventures	–	–	–	–	–	–	(5)	–	–
Loss before taxation	(25)	–	–	(99)	–	20	(37)	–	–

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

Restructuring charges of \$25 million primarily reflect expenses relating to redundancies partly offset by income from the Principal Finance and Ship Leasing portfolios.

The Group has announced the exit of seven markets in the Africa and Middle East region and will focus solely on the Corporate, Commercial & Institutional Banking segment in two more. It is expected that the results from the markets and businesses being exited will be reported in restructuring from 1 January 2023.

Balance sheet and liquidity

	30.09.22 \$million	30.06.22 \$million	Change %	31.12.21 \$million	Change ¹ %	30.09.21 \$million	Change ¹ %
Assets							
Loans and advances to banks	43,315	36,201	20	44,383	(2)	45,754	(5)
Loans and advances to customers	298,390	293,508	2	298,468	–	302,493	(1)
Other assets	522,730	506,208	3	484,967	8	468,855	11
Total assets	864,435	835,917	3	827,818	4	817,102	6
Liabilities							
Deposits by banks	27,728	31,173	(11)	30,041	(8)	34,480	(20)
Customer accounts	447,259	453,742	(1)	474,570	(6)	453,260	(1)
Other liabilities	339,445	301,310	13	270,571	25	276,027	23
Total liabilities	814,432	786,225	4	775,182	5	763,767	7
Equity	50,003	49,692	1	52,636	(5)	53,335	(6)
Total equity and liabilities	864,435	835,917	3	827,818	4	817,102	6
Advances-to-deposits ratio (%) ²	58.1%	59.6%		59.1%		61.9%	
Liquidity coverage ratio (%)	156%	142%		143%		145%	

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

² The Group now excludes \$21,683 million held with central banks (30.06.22: \$16,918 million, 31.12.21: \$15,168 million, 30.09.21: \$16,986 million) that has been confirmed as repayable at the point of stress

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

- **Loans and advances to banks** increased 20 per cent or by \$7 billion from 30 June 2022 to \$43 billion reflecting an increase in money market loans and Financial Institutions Trade loans
- **Loans and advances to customers** grew 2 per cent from 30 June 2022 to \$298 billion with a \$10 billion increase in reverse repurchase agreements held to collect in the quarter. There was underlying growth of \$2 billion (1 per cent) in the quarter, primarily in Trade, excluding the increase in reverse repurchase agreements and central bank placements, as well as a \$2 billion reduction from risk-weight asset optimisation actions and the impact of currency translation which reduced balances by \$7 billion
- **Customer accounts** of \$447 billion decreased 1 per cent from 30 June 2022 but increased 1 per cent excluding the impact of currency translation
- **Other assets** increased 3 per cent in the third quarter of 2022 with increased derivative balances partly offset by reductions in investment securities and unsettled trade balances.
- **Other liabilities** increased 13 per cent with increased derivative liabilities and repurchase agreements

Group Chief Financial Officer's review continued

The **advances-to-deposits ratio** declined to 58.1 per cent from 59.6 per cent at 30 June 2022. The point-in-time **liquidity coverage ratio** remains well above the minimum regulatory requirement of 100 per cent at 156 per cent, increasing 14 percentage points in the quarter due to higher medium-term and structured note issuance supporting a reduction in shorter term wholesale funding and some period end inflows of corporate term deposits in some markets.

Risk-weighted assets

	30.09.22 \$million	30.06.22 \$million	Change ¹ %	31.12.21 \$million	Change ¹ %	30.09.21 \$million	Change ¹ %
By risk type							
Credit risk	202,523	205,179	(1)	219,588	(8)	219,628	(8)
Operational risk	27,177	27,177	–	27,116	–	27,116	–
Market risk	22,593	22,726	(1)	24,529	(8)	20,811	9
Total RWAs	252,293	255,082	(1)	271,233	(7)	267,555	(6)

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

Total risk-weighted assets (RWAs) of \$252.3 billion decreased 1 per cent or \$2.8 billion from 30 June 2022:

- **Credit Risk RWA** decreased by \$2.7 billion in the third quarter to \$202.5 billion. There was a \$2.9 billion increase from negative credit migration reflecting the impact of sovereign downgrades and a \$4.0 billion increase from a combination of asset growth and mix. This was more than offset by a \$5.6 billion reduction from currency translation, a further \$3.6 billion reduction in the Corporate, Commercial & Institutional Banking low-returning portfolio targeted for optimisation and \$0.5 billion from other RWA efficiency actions.
- **Operational Risk RWA** was flat at \$27.2 billion
- **Market Risk RWA** decreased \$0.1 billion to \$22.6 billion

Capital base and ratios

	30.09.22 \$million	30.06.22 \$million	Change ¹ %	31.12.21 \$million	Change ¹ %	30.09.21 \$million	Change ¹ %
CET1 capital	34,504	35,373	(2)	38,362	(10)	39,167	(12)
Additional Tier 1 capital (AT1)	6,485	5,244	24	6,791	(5)	6,791	(5)
Tier 1 capital	40,989	40,617	1	45,153	(9)	45,958	(11)
Tier 2 capital	12,502	13,020	(4)	12,491	–	12,913	(13)
Total capital	53,491	53,637	–	57,644	(7)	58,871	(9)
CET1 capital ratio (%) ²	13.7	13.9	(0.2)	14.1	(0.4)	14.6	(0.9)
Total capital ratio (%) ²	21.2	21.0	0.2	21.3	(0.1)	22.0	(0.8)
Leverage ratio (%) ²	4.8	4.5	0.3	4.9	(0.1)	5.1	(0.3)

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 13.7 per cent was 19 basis points lower than at 30 June 2022. The CET1 ratio remains 3.5 percentage points above the Group's regulatory minimum of 10.2 per cent and in the upper half of the 13 to 14 per cent medium-term target range.

As of 30 September 2022, the Group was partway through the \$500 million share buyback programme it announced on 1st August 2022 and had spent \$432 million purchasing 63 million ordinary shares, reducing the share count by approximately 2 per cent. Even though the share buyback was still ongoing on 30 September 2022, the entire \$500 million is deducted from CET1 in the period, reducing the ratio by 20 basis points.

The Group is accruing a foreseeable dividend in respect of the final 2022 ordinary share dividend in the third quarter. This is not an indication of the Group's final 2022 ordinary share dividend, which will be proposed by the Board at the presentation of the 2022 full year results. The increase in the foreseeable dividend for ordinary dividend and AT1 coupons reduced the CET1 ratio by 18 basis points

The CET1 ratio was reduced by a further 11 basis points, with 3 basis points from a reduction in reserves mainly relating to a reversal of prior year unrealised gains on debt securities as a result of higher market yields, and 8 basis points from movements in FX reducing both the translation reserve and RWAs. The Group has reduced its sensitivity to higher market yields as a result of hedging and other mitigation strategies.

Excluding the impact of currency translation, RWAs increased by an underlying \$2.6 billion during the quarter, reducing the CET1 ratio by 14 basis points

The above CET1 ratio headwinds were partly offset by 44 basis points uplift from profit accretion in the quarter.

The Group's leverage ratio of 4.8 per cent is 22 basis points higher than as at 30 June 2022. This reflects increased Tier 1 capital from a \$1.25 billion issuance of AT1 balances as well as decreased leverage exposures driven by leverage optimisation initiatives. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

Group Chief Financial Officer's review continued

Outlook

Our performance this year has been strong, and the pace of economic recovery in many of our footprint markets is encouraging, notwithstanding increasing recessionary pressures in certain western markets. Consequently, for full year 2022:

- Income (ex-DVA at ccy) is now expected to grow around 13 per cent, in-line with the year-to-date growth
- Full year average net interest margin is expected to be around 140 basis points
- Expenses ex-UK bank levy are expected to be around \$10.6 billion
- Credit impairment is expected to be slightly above the year-to-date annualised loan-loss rate of 18 basis points
- We intend to operate dynamically within the full 13 to 14 per cent CET1 target range

We now expect greater net interest margin progression to average around 165 basis points in 2023, which combined with continued strong business momentum and positive income-to-cost jaws, means we remain on-track to deliver our 10 per cent RoTE target in 2024, if not earlier.

Andy Halford

Group Chief Financial Officer

26 October 2022

Supplementary financial information

Underlying performance by client segment

	3Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,745	1,600	10	(37)	4,318
External	2,405	1,287	10	616	4,318
Inter-segment	340	313	–	(653)	–
Operating expenses	(1,347)	(1,035)	(87)	(190)	(2,659)
Operating profit/(loss) before impairment losses and taxation	1,398	565	(77)	(227)	1,659
Credit impairment	(82)	(87)	(4)	(54)	(227)
Other impairment	(31)	–	–	(1)	(32)
Profit from associates and joint ventures	–	–	(4)	20	16
Underlying profit/(loss) before taxation	1,285	478	(85)	(262)	1,416
Restructuring	2	(22)	–	(5)	(25)
Other items	–	–	–	–	–
Statutory profit/(loss) before taxation	1,287	456	(85)	(267)	1,391
Total assets	453,985	129,698	1,574	279,178	864,435
Of which: loans and advances to customers ²	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 ²	332,833	171,730	886	6,517	511,966
Risk-weighted assets	149,779	50,923	1,158	50,433	252,293
Underlying return on tangible equity (%)	17.5	19.2	nm ³	(15.6)	10.1
Cost to income ratio (excluding bank levy) (%)	49.1	64.7	nm ³	nm ³	61.6

	3Q'21				
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	Total \$million
Operating income	2,226	1,431	–	108	3,765
External	2,115	1,349	–	301	3,765
Inter-segment	111	82	–	(193)	–
Operating expenses	(1,304)	(1,065)	(60)	(165)	(2,594)
Operating profit/(loss) before impairment losses and taxation	922	366	(60)	(57)	1,171
Credit impairment	(24)	(73)	(1)	(9)	(107)
Other impairment	(30)	–	–	(5)	(35)
Profit from associates and joint ventures	–	–	(1)	47	46
Underlying profit/(loss) before taxation	868	293	(62)	(24)	1,075
Restructuring	(32)	(10)	–	(57)	(99)
Other items	–	–	20	–	20
Statutory profit/(loss) before taxation	836	283	(42)	(81)	996
Total assets	390,770	138,109	774	287,449	817,102
Of which: loans and advances to customers ²	197,121	135,333	42	31,272	363,768
loans and advances to customers	137,936	135,251	42	29,264	302,493
loans held at fair value through profit or loss	59,185	82	–	2,008	61,275
Total liabilities	468,431	179,423	794	115,119	763,767
Of which: customer accounts ²	320,516	175,278	721	16,477	512,992
Risk-weighted assets	161,915	52,583	608	52,449	267,555
Underlying return on tangible equity (%)	10.6	11.2	nm ³	(5.6)	6.3
Cost to income ratio (excluding bank levy) (%)	58.6	74.4	nm ³	152.8	68.9

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

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

3 Not meaningful

Supplementary financial information continued

Corporate, Commercial & Institutional Banking¹

	3Q'22 \$million	3Q'21 \$million	Change ⁵ %	Constant currency change ^{4,5} %	2Q'22 \$million	Change ⁵ %	Constant currency change ^{4,5} %	YTD'22 \$million	YTD'21 \$million	Change ⁵ %	Constant currency change ^{4,5} %
Operating income	2,745	2,226	23	28	2,305	19	22	7,622	6,518	17	20
Transaction Banking	1,050	712	47	56	810	30	32	2,574	2,089	23	28
Trade & Working Capital ^{2,3}	332	375	(11)	(5)	328	1	5	1,006	1,057	(5)	(1)
Cash Management	718	337	113	123	482	49	51	1,568	1,032	52	57
Financial Markets	1,540	1,311	17	22	1,373	12	15	4,636	3,887	19	22
Macro Trading	734	540	36	43	664	11	14	2,338	1,783	31	35
Credit Markets ³	440	516	(15)	(13)	374	18	20	1,274	1,429	(11)	(9)
Credit Trading	156	144	8	12	87	79	83	353	377	(6)	(5)
Financing Solutions & Issuance ³	284	372	(24)	(22)	287	(1)	2	921	1,052	(12)	(11)
Structured Finance	116	159	(27)	(27)	102	14	15	312	387	(19)	(19)
Financing & Securities Services ³	195	97	101	113	198	(2)	1	537	290	85	90
DVA	55	(1)	nm ⁹	nm ⁹	35	57	60	175	(2)	nm ⁹	nm ⁹
Lending & Portfolio Management ^{2,3}	156	206	(24)	(22)	124	26	23	418	550	(24)	(22)
Wealth Management	1	1	–	nm ⁹	–	nm ⁹	nm ⁹	1	1	–	(100)
Retail Products	1	–	nm ⁹	nm ⁹	–	nm ⁹	nm ⁹	1	–	nm ⁹	nm ⁹
Deposits	1	1	–	nm ⁹	–	nm ⁹	nm ⁹	1	1	–	nm ⁹
Other Retail Products ³	–	(1)	100	nm ⁹	–	nm ⁹	nm ⁹	–	(1)	100	nm ⁹
Other	(3)	(4)	25	33	(2)	(50)	33	(8)	(9)	11	11
Operating expenses	(1,347)	(1,304)	(3)	(7)	(1,388)	3	1	(4,061)	(3,886)	(5)	(8)
Operating profit before impairment losses and taxation	1,398	922	52	58	917	52	55	3,561	2,632	35	39
Credit impairment	(82)	(24)	nm ⁹	nm ⁹	(49)	(67)	(68)	(278)	112	nm ⁹	nm ⁹
Other impairment	(31)	(30)	(3)	(3)	–	nm ⁹	nm ⁹	(31)	(55)	44	44
Underlying profit before taxation	1,285	868	48	53	868	48	51	3,252	2,689	21	24
Restructuring	2	(32)	106	106	(2)	200	167	(2)	(70)	97	99
Statutory profit before taxation	1,287	836	54	59	866	49	52	3,250	2,619	24	27
Total assets	453,985	390,770	16	19	427,483	6	8	453,985	390,770	16	19
Of which: loans and advances to customers ⁶	190,782	197,121	(3)	1	192,439	(1)	1	190,782	197,121	(3)	1
Total liabilities	534,469	468,431	14	18	500,400	7	9	534,469	468,431	14	18
Of which: customer accounts ⁶	332,833	320,516	4	8	321,517	4	5	332,833	320,516	4	8
Risk-weighted assets	149,779	161,915	(7)	nm ⁹	154,177	(3)	nm ⁹	149,779	161,915	(7)	nm ⁹
Underlying return on risk-weighted assets (%) ⁷	3.4	2.0	140bps	nm ⁹	2.2	120bps	nm ⁹	2.8	2.1	70bps	nm ⁹
Underlying return on tangible equity (%) ⁷	17.5	10.6	690bps	nm ⁹	11.4	610bps	nm ⁹	14.3	11.0	330bps	nm ⁹
Cost to income ratio (%) ⁸	49.1	58.6	9.5	9.6	60.2	11.1	11.1	53.3	59.6	6.3	6.2

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

3 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income

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

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

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

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

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

9 Not meaningful

Supplementary financial information continued

Performance highlights

- Underlying profit before tax of \$1,285 million was up 48 per cent driven mainly by higher income, partially offset by higher expenses and credit impairment
- Underlying operating income of \$2,745 million was up 23 per cent (up 30 per cent ccy excluding a positive DVA and the IFRS9 adjustments) primarily due to strong performance across Transaction Banking Cash revenue supported by higher interest rates and strong Macro Trading Income in Financial Markets
- Higher credit impairment primarily from charges on China Commercial Real Estate exposures and the sovereign ratings downgrade in some of our footprint markets
- Risk-weighted assets down \$13 billion since 31 December 2021, mainly as a result of optimisation initiatives and favourable FX movements, partly offset by business growth and regulatory impact
- RoTE increased to 17.5 per cent from 10.6 per cent

Supplementary financial information continued

Consumer, Private & Business Banking¹

	3Q'22 \$million	3Q'21 \$million	Change ⁴ %	Constant currency change ^{3,4} %	2Q'22 \$million	Change ⁴ %	Constant currency change ^{3,4} %	YTD'22 \$million	YTD'21 \$million	Change ⁴ %	Constant currency change ^{3,4} %
Operating income	1,600	1,431	12	18	1,448	10	13	4,471	4,402	2	6
Transaction Banking	32	22	45	50	25	28	32	83	67	24	26
Trade & Working Capital ²	12	14	(14)	(7)	15	(20)	(13)	43	42	2	5
Cash Management	20	8	150	150	10	100	100	40	25	60	60
Lending & Portfolio Management ²	10	8	25	25	12	(17)	(9)	30	25	20	20
Wealth Management	454	558	(19)	(15)	458	(1)	2	1,442	1,758	(18)	(16)
Retail Products	1,104	829	33	43	951	16	19	2,903	2,528	15	21
CCPL & other unsecured lending	295	316	(7)	1	308	(4)	(1)	907	957	(5)	(1)
Deposits	626	205	nm ⁸	nm ⁸	363	72	76	1,238	649	91	104
Mortgage & Auto	141	260	(46)	(41)	235	(40)	(37)	623	775	(20)	(15)
Other Retail Products	42	48	(13)	(7)	45	(7)	(4)	135	147	(8)	(4)
Other	–	14	(100)	(100)	2	(100)	(100)	13	24	(46)	(38)
Operating expenses	(1,035)	(1,065)	3	(3)	(1,054)	2	(1)	(3,106)	(3,090)	(1)	(4)
Operating profit before impairment losses and taxation	565	366	54	65	394	43	47	1,365	1,312	4	9
Credit impairment	(87)	(73)	(19)	(24)	(45)	(93)	(93)	(166)	(166)	–	(5)
Other impairment	–	–	nm ⁸	nm ⁸	(1)	100	100	(1)	–	nm ⁸	nm ⁸
Underlying profit before taxation	478	293	63	75	348	37	41	1,198	1,146	5	9
Restructuring	(22)	(10)	(120)	(120)	(14)	(57)	(57)	(43)	(32)	(34)	(39)
Statutory profit before taxation	456	283	61	73	334	37	40	1,155	1,114	4	8
Total assets	129,698	138,109	(6)	2	134,979	(4)	–	129,698	138,109	(6)	2
Of which: loans and advances to customers ⁵	126,961	135,333	(6)	2	132,275	(4)	–	126,961	135,333	(6)	2
Total liabilities	176,087	179,423	(2)	5	179,637	(2)	1	176,087	179,423	(2)	5
Of which: customer accounts ⁵	171,730	175,278	(2)	4	175,747	(2)	–	171,730	175,278	(2)	4
Risk-weighted assets	50,923	52,583	(3)	nm ⁸	52,518	(3)	nm ⁸	50,923	52,583	(3)	nm ⁸
Underlying return on risk-weighted assets (%) ⁶	3.7	2.2	150bps	nm ⁸	2.5	120bps	nm ⁸	3.0	2.8	20bps	nm ⁸
Underlying return on tangible equity (%) ⁶	19.2	11.2	800bps	nm ⁸	13.6	560bps	nm ⁸	15.7	14.3	140bps	nm ⁸
Cost to income ratio (%) ⁷	64.7	74.4	9.7	10.0	72.8	8.1	8.0	69.5	70.2	0.7	0.9

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

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

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

8 Not meaningful

Performance highlights

- Underlying profit before tax of \$478 million was up 63 per cent, mainly driven by higher income partly offset by higher expenses. Overall Impairments trend remain stable
- Underlying operating income of \$1,600 million was up 12 per cent (up 18 per cent on a constant currency basis) as higher income in Retail due to volume growth across most products, in addition to interest rate benefits within Deposits, partly offset by Wealth management which continues to face headwinds due to market volatility
- RoTE increased from 11.2 per cent to 19.2 per cent

Supplementary financial information continued

Ventures¹

	3Q'22 \$million	3Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %	2Q'22 \$million	Change ³ %	Constant currency change ^{2,3} %	YTD'22 \$million	YTD'21 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	10	–	nm ⁷	nm ⁷	4	150	80	15	(3)	nm ⁷	nm ⁷
Retail Products	4	(1)	nm ⁷	nm ⁷	4	0	(20)	9	(5)	nm ⁷	nm ⁷
CCPL & other unsecured lending	6	–	nm ⁷	nm ⁷	5	20	20	12	(1)	nm ⁷	nm ⁷
Deposits	(2)	(1)	(100)	(100)	–	nm ⁷	nm ⁷	(3)	(3)	–	–
Other Retail Products	–	–	nm ⁷	nm ⁷	(1)	100	nm ⁷	–	(1)	100	nm ⁷
Other	6	1	nm ⁷	nm ⁷	–	nm ⁷	nm ⁷	6	2	200	200
Operating expenses	(87)	(60)	(45)	(49)	(74)	(18)	(19)	(233)	(178)	(31)	(34)
Operating loss before impairment losses and taxation	(77)	(60)	(28)	(34)	(70)	(10)	(14)	(218)	(181)	(20)	(24)
Credit impairment	(4)	(1)	nm ⁷	nm ⁷	–	nm ⁷	nm ⁷	(7)	(1)	nm ⁷	nm ⁷
Loss from associates and joint ventures	(4)	(1)	nm ⁷	(200)	(4)	–	25	(11)	(3)	nm ⁷	(175)
Underlying loss before taxation	(85)	(62)	(37)	(41)	(74)	(15)	(18)	(236)	(185)	(28)	(30)
Restructuring	–	–	nm ⁷	nm ⁷	(1)	100	100	(1)	–	nm ⁷	nm ⁷
Other items	–	20	(100)	(100)	–	nm ⁷	nm ⁷	–	20	(100)	(100)
Statutory loss before taxation	(85)	(42)	(102)	(110)	(75)	(13)	(16)	(237)	(165)	(44)	(47)
Total assets	1,574	774	103	105	1,371	15	15	1,574	774	103	105
Of which: loans and advances to customers ⁴	480	42	nm ⁷	nm ⁷	342	40	40	480	42	nm ⁷	nm ⁷
Total liabilities	981	794	24	25	770	27	28	981	794	24	25
Of which: customer accounts ⁴	886	721	23	24	689	29	29	886	721	23	24
Risk-weighted assets	1,158	608	90	nm ⁷	1,043	11	nm ⁷	1,158	608	90	nm ⁷
Underlying return on risk-weighted assets (%) ⁵	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷
Underlying return on tangible equity (%) ⁵	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷
Cost to income ratio (%) ⁶	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷

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

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7 Not meaningful

Performance highlights

- Underlying loss before tax of \$85 million was up \$23 million, driven mainly by higher expenses as we continue to invest in new and existing Ventures
- Loans and advances to customers increased almost 40 per cent since 30 June 2022, due to customer growth, higher utilisation and additional credit product being launched
- Risk weighted assets of \$1,158 million have increased \$550 million mainly due to continued investment in new and existing Ventures and minority interests

Supplementary financial information continued

Central & other items (segment)¹

	3Q'22 \$million	3Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %	2Q'22 \$million	Change ³ %	Constant currency change ^{2,3} %	YTD'22 \$million	YTD'21 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	(37)	108	(134)	(118)	169	(122)	(111)	410	466	(12)	2
Treasury	(4)	149	(103)	(98)	205	(102)	(99)	518	543	(5)	–
Other	(33)	(41)	20	52	(36)	8	42	(108)	(77)	(40)	8
Operating expenses	(190)	(165)	(15)	(58)	(115)	(65)	(92)	(526)	(532)	1	(22)
Operating loss before impairment losses and taxation	(227)	(57)	nm ⁷	nm ⁷	54	nm ⁷	nm ⁷	(116)	(66)	(76)	nm ⁷
Credit impairment	(54)	(9)	nm ⁷	nm ⁷	27	nm ⁷	nm ⁷	(43)	(5)	nm ⁷	nm ⁷
Other impairment	(1)	(5)	80	100	–	nm ⁷	nm ⁷	(2)	(5)	60	60
Profit from associates and joint ventures	20	47	(57)	(62)	94	(79)	(81)	180	183	(2)	(1)
Underlying profit/(loss) before taxation	(262)	(24)	nm ⁷	nm ⁷	175	nm ⁷	nm ⁷	19	107	(82)	(94)
Restructuring	(5)	(57)	91	93	(20)	75	79	(24)	(120)	80	81
Other items	–	–	nm ⁷	nm ⁷	–	nm ⁷	nm ⁷	–	–	nm ⁷	nm ⁷
Statutory loss before taxation	(267)	(81)	nm ⁷	nm ⁷	155	nm ⁷	nm ⁷	(5)	(13)	62	(182)
Total assets	279,178	287,449	(3)	3	272,084	3	5	279,178	287,449	(3)	3
Of which: loans and advances to customers ⁴	35,388	31,272	13	23	29,418	20	26	35,388	31,272	13	23
Total liabilities	102,895	115,119	(11)	(9)	105,418	(2)	(1)	102,895	115,119	(11)	(9)
Of which: customer accounts ⁴	6,517	16,477	(60)	(59)	9,058	(28)	(27)	6,517	16,477	(60)	(59)
Risk-weighted assets	50,433	52,449	(4)	nm ⁷	47,344	7	nm ⁷	50,433	52,449	(4)	nm ⁷
Underlying return on risk-weighted assets (%) ⁵	(2.0)	(0.2)	(180)bps	nm ⁷	1.4	(340)bps	nm ⁷	–	0.3	(30)bps	nm ⁷
Underlying return on tangible equity (%) ⁵	(15.6)	(5.6)	(1,000)bps	nm ⁷	(0.3)	(1,530)bps	nm ⁷	(5.2)	(3.7)	(150)bps	nm ⁷
Cost to income ratio (%) (excluding UK bank levy) ⁶	nm⁷	152.8	nm ⁷	nm ⁷	71.0	nm ⁷	nm ⁷	129.5	112.9	(16.6)	(24.4)

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

7 Not meaningful

Performance highlights

- Underlying loss before tax of \$262 million compared to 3Q'21 loss of \$24 million primarily due to lower net interest income from hedges as rates rise, lower profit share from China Bohai Bank. Expenses increased 15 per cent while credit impairments were \$45 million higher
- Underlying operating income from Treasury was down to \$4 million, \$153 million worse than prior year primarily due to lower net interest income from hedges
- Treasury risk-weighted assets down \$6 billion since 31 December 2021, due to management actions, mostly portfolio optimisation and the purchase of credit insurance for higher risk weighted central bank cash balances

Supplementary financial information continued

Underlying performance by region

	3Q'22				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,984	652	632	50	4,318
Operating expenses	(1,715)	(423)	(374)	(147)	(2,659)
Operating profit/(loss) before impairment losses and taxation	1,269	229	258	(97)	1,659
Credit impairment	(193)	(68)	34	–	(227)
Other impairment	(33)	2	1	(2)	(32)
Profit from associates and joint ventures	20	–	–	(4)	16
Underlying profit/(loss) before taxation	1,063	163	293	(103)	1,416
Restructuring	(18)	(1)	(2)	(4)	(25)
Other items	–	–	–	–	–
Statutory profit/(loss) before taxation	1,045	162	291	(107)	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
Underlying return on risk-weighted assets (%) ²	2.7	1.5	2.3	nm ⁴	2.2
Underlying return on tangible equity (%) ²	14.2	7.8	12.1	nm ⁴	10.1
Cost to income ratio (%) ³	57.5	64.9	59.2	nm ⁴	61.6

	3Q'21				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,629	657	514	(35)	3,765
Operating expenses	(1,661)	(401)	(350)	(182)	(2,594)
Operating profit/(loss) before impairment losses and taxation	968	256	164	(217)	1,171
Credit impairment	(84)	(33)	11	(1)	(107)
Other impairment	(2)	(1)	(14)	(18)	(35)
Profit from associates and joint ventures	45	–	–	1	46
Underlying profit/(loss) before taxation	927	222	161	(235)	1,075
Restructuring	(36)	(7)	(27)	(29)	(99)
Other items	–	–	–	20	20
Statutory profit/(loss) before taxation	891	215	134	(244)	996
Total assets	475,407	56,609	275,427	9,659	817,102
Of which: loans and advances to customers ¹	263,296	28,415	72,057	–	363,768
loans and advances to customers	246,226	25,914	30,353	–	302,493
loans held at fair value through profit or loss	17,070	2,501	41,704	–	61,275
Total liabilities	428,911	40,276	228,363	66,217	763,767
Of which: customer accounts ¹	343,425	33,307	136,260	–	512,992
Risk-weighted assets	172,205	49,040	48,476	(2,166)	267,555
Underlying return on risk-weighted assets (%) ²	2.1	1.7	1.3	nm ⁴	1.6
Underlying return on tangible equity (%) ²	11.1	9.1	6.7	nm ⁴	6.3
Cost to income ratio (%) ³	63.2	61.0	68.1	nm ⁴	68.9

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

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

4 Not meaningful

Supplementary financial information continued

Asia¹

	3Q'22 \$million	3Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	2Q'22 \$million	Change ² %	Constant currency change ^{1,2} %	YTD'22 \$million	YTD'21 \$million	Change ² %	Constant currency change ¹ %
Operating income	2,984	2,629	14	19	2,725	10	12	8,506	8,092	5	9
Operating expenses	(1,715)	(1,661)	(3)	(9)	(1,746)	2	(1)	(5,132)	(4,959)	(3)	(7)
Operating profit before impairment losses and taxation	1,269	968	31	38	979	30	33	3,374	3,133	8	11
Credit impairment	(193)	(84)	(130)	(168)	(113)	(71)	(57)	(591)	(131)	nm ⁶	nm ⁶
Other impairment	(33)	(2)	nm ⁶	nm ⁶	(2)	nm ⁶	nm ⁶	(35)	(17)	(106)	(94)
Profit from associates and joint ventures	20	45	(56)	(59)	91	(78)	(79)	177	181	(2)	(2)
Underlying profit before taxation	1,063	927	15	19	955	11	15	2,925	3,166	(8)	(5)
Restructuring	(18)	(36)	50	45	(10)	(80)	(64)	(37)	(63)	41	39
Other items	–	–	nm ⁶	nm ⁶	–	nm ⁶	nm ⁶	–	–	nm ⁶	nm ⁶
Statutory profit before taxation	1,045	891	17	21	945	11	15	2,888	3,103	(7)	(4)
Total assets	497,193	475,407	5	12	477,485	4	7	497,193	475,407	5	12
Of which: loans and advances to customers ³	258,911	263,296	(2)	6	259,484	–	3	258,911	263,296	(2)	6
Total liabilities	452,959	428,911	6	12	431,424	5	8	452,959	428,911	6	12
Of which: customer accounts ³	334,954	343,425	(2)	3	332,705	1	3	334,954	343,425	(2)	3
Risk-weighted assets	156,553	172,205	(9)	nm ⁶	160,345	(2)	nm ⁶	156,553	172,205	(9)	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	2.7	2.1	60bps	nm ⁶	2.3	40bps	nm ⁶	2.4	2.4	–	nm ⁶
Underlying return on tangible equity (%) ⁴	14.2	11.1	310bps	nm ⁶	12.3	190bps	nm ⁶	12.6	12.6	–	nm ⁶
Cost to income ratio (%) ⁵	57.5	63.2	5.7	5.7	64.1	6.6	6.6	60.3	61.3	1.0	1.0

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6 Not meaningful

Performance highlights

- Underlying profit before tax of \$1,063 million was up 15 per cent, primarily from higher income partly offset by higher credit impairment from charges on China Commercial Real Estate exposures and the sovereign ratings downgrade of Sri Lanka
- Underlying operating income of \$2,984 million was up 14 per cent (up 19 per cent on a constant currency), mainly driven by a strong Financial Markets momentum and Cash Management and Retail Deposits, both benefiting from the hike in interest rates. This was partially offset by lower Lending and Wealth Management income as market conditions reduced transaction volumes, as well as the impact of COVID-19 restrictions impacting in our key markets, Hong Kong and China
- Loans and advances to customers and customer accounts were down 2 per cent (up 6 per cent on a constant currency) since 31 December 2021
- Risk-weighted assets were down \$14 billion since 31 December 2021 as we continue to focus on RWA optimisation
- RoTE increased from 11.1 per cent to 14.2 per cent

Supplementary financial information continued

Africa & Middle East

	3Q'22 \$million	3Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	2Q'22 \$million	Change ² %	Constant currency change ^{1,2} %	YTD'22 \$million	YTD'21 \$million	Change ² %	Constant currency change ¹ %
Operating income	652	657	(1)	8	632	3	10	1,943	1,907	2	7
Operating expenses	(423)	(401)	(5)	(10)	(405)	(4)	(9)	(1,231)	(1,216)	(1)	(5)
Operating profit before impairment losses and taxation	229	256	(11)	5	227	1	12	712	691	3	11
Credit impairment	(68)	(33)	(106)	(127)	53	nm ⁶	nm ⁶	31	7	nm ⁶	182
Other impairment	2	(1)	nm ⁶	nm ⁶	(1)	nm ⁶	nm ⁶	1	(1)	200	200
Underlying profit before taxation	163	222	(27)	(11)	279	(42)	(34)	744	697	7	14
Restructuring	(1)	(7)	86	100	(8)	88	100	(8)	(10)	20	20
Statutory profit before taxation	162	215	(25)	(7)	271	(40)	(31)	736	687	7	15
Total assets	54,724	56,609	(3)	4	57,859	(5)	(2)	54,724	56,609	(3)	4
Of which: loans and advances to customers ³	24,705	28,415	(13)	(8)	28,003	(12)	(9)	24,705	28,415	(13)	(8)
Total liabilities	41,116	40,276	2	9	42,672	(4)	(1)	41,116	40,276	2	9
Of which: customer accounts ³	31,697	33,307	(5)	2	33,480	(5)	(3)	31,697	33,307	(5)	2
Risk-weighted assets	42,746	49,040	(13)	nm ⁶	43,613	(2)	nm ⁶	42,746	49,040	(13)	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	1.5	1.7	(20)bps	nm ⁶	2.5	(100)bps	nm ⁶	2.2	1.8	40bps	nm ⁶
Underlying return on tangible equity (%) ⁴	7.8	9.1	(130)bps	nm ⁶	13.0	(520)bps	nm ⁶	11.4	9.5	190bps	nm ⁶
Cost to income ratio (%) ⁵	64.9	61.0	(3.9)	(1.1)	64.1	(0.8)	0.5	63.4	63.8	0.4	1.1

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

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$162 million was 25 per cent lower (7 per cent lower on constant currency basis), primarily due to higher provisions related to country downgrades
- Underlying operating income of \$652 million was 1 per cent lower (up 8 per cent on a constant currency basis); Broad-based growth across products, led by Transaction Banking, offset by grow-over impact of a IFRS9 accounting adjustment last year and impact of currency devaluation
- Loans and advances to customers were down 10 per cent (6 per cent down on constant currency basis) and customer accounts were down 9 per cent (3 per cent down on constant currency basis) since 31 December 2021
- Risk-weighted assets were down \$6 billion since 31 December 2021
- RoTE decreased from 9.1 per cent to 7.8 per cent; Q3 YTD RoTE at 11.4%

Supplementary financial information continued

Europe & Americas

	3Q'22 \$million	3Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	2Q'22 \$million	Change ² %	Constant currency change ^{1,2} %	YTD'22 \$million	YTD'21 \$million	Change ² %	Constant currency change ¹ %
Operating income	632	514	23	27	588	7	9	2,077	1,507	38	41
Operating expenses	(374)	(350)	(7)	(10)	(390)	4	3	(1,145)	(1,075)	(7)	(10)
Operating profit before impairment losses and taxation	258	164	57	65	198	30	31	932	432	116	118
Credit impairment	34	11	nm ⁶	nm ⁶	(7)	nm ⁶	nm ⁶	63	73	(14)	(13)
Other impairment	1	(14)	107	108	1	–	–	2	(7)	129	143
Underlying profit before taxation	293	161	82	92	192	53	54	997	498	100	103
Restructuring	(2)	(27)	93	93	(9)	78	75	(8)	(47)	83	83
Statutory profit before taxation	291	134	117	133	183	59	59	989	451	119	123
Total assets	303,617	275,427	10	11	291,264	4	5	303,617	275,427	10	11
Of which: loans and advances to customers ³	69,995	72,057	(3)	(1)	66,987	4	5	69,995	72,057	(3)	(1)
Total liabilities	249,771	228,363	9	11	243,877	2	3	249,771	228,363	9	11
Of which: customer accounts ³	145,315	136,260	7	8	140,826	3	4	145,315	136,260	7	8
Risk-weighted assets	50,779	48,476	5	nm ⁶	50,038	1	nm ⁶	50,779	48,476	5	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	2.3	1.3	100bps	nm ⁶	1.5	80bps	nm ⁶	2.6	1.4	120bps	nm ⁶
Underlying return on tangible equity (%) ⁴	12.1	6.7	540bps	nm ⁶	8.0	410bps	nm ⁶	13.7	7.0	670bps	nm ⁶
Cost to income ratio (%) ⁵	59.2	68.1	8.9	9.2	66.3	7.1	6.9	55.1	71.3	16.2	15.8

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

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

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

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

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

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$293 million was 82 per cent higher, driven by increased income slightly offset by higher expenses
- Underlying operating income of \$632 million was up 23 per cent with growth driven by Financial Markets
- RoTE double digit at 12.1 per cent from 6.7 per cent

Supplementary financial information continued

Central & other items (region)

	3Q'22 \$million	3Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	2Q'22 \$million	Change ² %	Constant currency change ^{1,2} %	YTD'22 \$million	YTD'21 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	50	(35)	nm ⁵	nm ⁵	(19)	nm ⁵	nm ⁵	(8)	(123)	93	94
Operating expenses	(147)	(182)	19	(11)	(90)	(63)	(99)	(418)	(436)	4	(21)
Operating loss before impairment losses and taxation	(97)	(217)	55	35	(109)	11	(16)	(426)	(559)	24	12
Credit impairment	–	(1)	100	nm ⁵	–	nm ⁵	nm ⁵	3	(9)	133	138
Other impairment	(2)	(18)	89	94	1	nm ⁵	(200)	(2)	(35)	94	91
Profit from associates and joint ventures	(4)	1	nm ⁵	nm ⁵	(1)	nm ⁵	nm ⁵	(8)	(1)	nm ⁵	nm ⁵
Underlying loss before taxation	(103)	(235)	56	38	(109)	6	(21)	(433)	(604)	28	18
Restructuring	(4)	(29)	86	87	(10)	60	56	(17)	(102)	83	85
Other items	–	20	(100)	(100)	–	nm ⁵	nm ⁵	–	20	(100)	(100)
Statutory loss before taxation	(107)	(244)	56	39	(119)	10	(15)	(450)	(686)	34	26
Total assets	8,901	9,659	(8)	(7)	9,309	(4)	(4)	8,901	9,659	(8)	(7)
Total liabilities	70,586	66,217	7	7	68,252	3	3	70,586	66,217	7	7
Risk-weighted assets	2,215	(2,166)	nm ⁵	nm ⁵	1,086	104	104	2,215	(2,166)	nm ⁵	nm ⁵
Underlying return on risk-weighted assets (%) ³	nm ⁵	nm ⁵	nm ⁵	–	nm ⁵	nm ⁵	–	nm ⁵	nm ⁵	nm ⁵	–
Underlying return on tangible equity (%) ³	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵
Cost to income ratio (%) (excluding UK bank levy) ⁴	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm 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 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 Not meaningful

Performance highlights

- Underlying loss before tax of \$103 million, 56 per cent better than prior year primarily from higher returns paid to Treasury on the equity provided to the regions in a higher interest rate environment

Supplementary financial information continued

Underlying performance by key market

	3Q'22									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	1,020	292	315	120	545	296	48	158	273	266
Operating expenses	(514)	(179)	(213)	(82)	(263)	(188)	(41)	(90)	(176)	(146)
Operating profit before impairment losses and taxation	506	113	102	38	282	108	7	68	97	120
Credit impairment	(145)	(18)	(53)	(2)	65	(11)	3	25	10	12
Other impairment	(37)	–	(1)	–	(2)	(2)	–	(1)	11	(2)
Profit from associates and joint ventures	–	–	19	–	–	–	–	–	–	–
Underlying profit before taxation	324	95	67	36	345	95	10	92	118	130
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 (%)	15.0	12.7	6.9	16.1	29.4	9.8	6.1	17.7	7.9	16.6
Cost to income ratio (%)	50.4	61.3	67.6	68.3	48.3	63.5	85.4	57.0	64.5	54.9

	2Q'22									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	883	285	306	110	419	325	48	139	253	263
Operating expenses	(510)	(189)	(215)	(84)	(274)	(191)	(44)	(87)	(188)	(147)
Operating profit before impairment losses and taxation	373	96	91	26	145	134	4	52	65	116
Credit impairment	(98)	(8)	(51)	1	10	(5)	(1)	46	8	8
Other impairment	(1)	–	(1)	–	–	(1)	–	–	13	–
Profit from associates and joint ventures	–	–	91	–	–	–	–	–	–	–
Underlying profit before taxation	274	88	130	27	155	128	3	98	86	124
Total assets employed	170,036	65,985	38,548	22,780	95,651	30,613	5,492	20,929	213,255	61,700
Of which: loans and advances to customers ¹	84,187	43,499	16,688	11,227	58,445	16,624	1,938	9,351	43,445	19,179
Total liabilities employed	161,158	56,681	33,636	21,889	99,231	22,862	4,346	16,472	150,249	77,142
Of which: customer accounts ¹	133,000	43,900	24,159	18,915	71,765	14,621	2,815	12,330	95,933	35,475
Underlying return on tangible equity (%)	12.7	11.6	12.4	11.6	13.2	12.6	2.1	17.4	5.6	16.9
Cost to income ratio (%)	57.8	66.3	70.3	76.4	65.4	58.8	91.7	62.6	74.3	55.9

Supplementary financial information continued

	3Q'21									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	846	270	271	126	435	392	51	144	190	214
Operating expenses	(507)	(173)	(184)	(91)	(264)	(186)	(44)	(90)	(163)	(126)
Operating profit before impairment losses and taxation	339	97	87	35	171	206	7	54	27	88
Credit impairment	(4)	(15)	(4)	(2)	21	(20)	(1)	1	11	3
Other impairment	–	–	–	–	(1)	–	–	–	22	–
Profit from associates and joint ventures	–	–	46	–	–	–	–	–	(1)	–
Underlying profit before taxation	335	82	129	33	191	186	6	55	59	91
Total assets employed	177,271	65,976	36,182	23,634	92,456	29,200	4,947	18,896	185,498	75,029
Of which: loans and advances to customers ¹	88,452	45,993	17,698	11,673	57,575	16,234	2,038	9,373	49,901	17,478
Total liabilities employed	167,434	57,062	33,501	21,258	90,726	21,144	3,794	14,462	138,547	76,600
Of which: customer accounts ¹	138,644	44,687	25,566	19,918	69,508	15,597	2,583	11,542	84,562	43,502
Underlying return on tangible equity (%)	15.1	9.3	12.2	12.9	14.4	15.0	3.7	9.4	3.8	12.8
Cost to income ratio (%)	59.9	64.1	67.9	72.2	60.7	47.4	86.3	62.5	85.8	58.9

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

Quarterly underlying operating income by product

	3Q'22 \$million	2Q'22 \$million	1Q'22 \$million	4Q'21 \$million	3Q'21 \$million	2Q'21 \$million	1Q'21 \$million	4Q'20 \$million
Transaction Banking	1,082	835	740	730	734	709	713	707
Trade & Working capital ^{1,2}	344	343	362	348	389	363	347	304
Cash Management	738	492	378	382	345	346	366	403
Financial Markets	1,540	1,373	1,723	1,012	1,311	1,268	1,308	949
Macro Trading	734	664	940	433	540	571	672	435
Credit Markets ²	440	374	460	361	516	484	429	404
Credit Trading	156	87	110	60	144	102	131	119
Financing Solutions & Issuance ²	284	287	350	301	372	382	298	285
Structured Finance	116	102	94	104	159	128	100	102
Financing & Securities Services ²	195	198	144	97	97	86	107	77
DVA	55	35	85	17	(1)	(1)	–	(69)
Lending & Portfolio Management ^{1,2}	166	136	146	184	214	188	173	168
Wealth Management	455	458	530	466	559	554	646	442
Retail Products	1,109	955	849	835	828	846	849	848
CCPL & other unsecured lending	301	313	305	316	316	320	320	303
Deposits	625	363	248	213	205	209	233	271
Mortgage & Auto	141	235	247	261	260	268	247	234
Other Retail Products	42	44	49	45	47	49	49	40
Treasury	(4)	205	317	155	149	137	257	92
Other ²	(30)	(36)	(31)	(52)	(30)	(13)	(17)	(7)
Total underlying operating income	4,318	3,926	4,274	3,330	3,765	3,689	3,929	3,199

1 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

2 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income.

Supplementary financial information continued

Earnings per ordinary share

	3Q'22 \$million	3Q'21 \$million	Change %	2Q'22 \$million	Change %	YTD'22 \$million	YTD'21 \$million	Change %
Profit/(loss) for the period attributable to equity holders	1,078	767	41	909	19	3,166	2,695	17
Non-controlling interest	9	(4)	nm ¹	4	125	10	(18)	nm ¹
Dividend payable on preference shares and AT1 classified as equity	(123)	(119)	(3)	(94)	(31)	(339)	(315)	(8)
Profit/(loss) for the period attributable to ordinary shareholders	964	644	50	819	18	2,837	2,362	20
Items normalised:								
Restructuring	25	99	(75)	37	(32)	70	222	(68)
Net (gains) / losses on sale of Businesses	–	(20)	nm ¹	–	nm ¹	–	(20)	nm ¹
Tax on normalised items	(13)	(7)	(86)	(5)	(160)	(21)	(22)	5
Underlying profit/(loss)	976	716	36	851	15	2,886	2,542	14
Basic - Weighted average number of shares (millions)	2,949	3,105	nm ¹	3,014	nm ¹	2,992	3,124	nm ¹
Diluted - Weighted average number of shares (millions)	3,011	3,152	nm ¹	3,069	nm ¹	3,050	3,174	nm ¹
Basic earnings per ordinary share (cents)²	32.7	20.7	12	27.2	5.5	94.8	75.6	19.2
Diluted earnings per ordinary share (cents)²	32.0	20.4	11.6	26.7	5.3	93.0	74.4	18.6
Underlying basic earnings per ordinary share (cents)²	33.1	23.1	10	28.2	4.9	96.5	81.4	15.1
Underlying diluted earnings per ordinary share (cents)²	32.4	22.7	9.7	27.7	4.7	94.6	80.1	14.5

1 Not meaningful

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

Supplementary financial information continued

Return on Tangible Equity

	3Q'22 \$million	3Q'21 ¹ \$million	Change %	2Q'22 \$million	Change %	YTD'22 \$million	YTD'21 ¹ \$million	Change %
Average parent company Shareholders' Equity	43,592	46,709	(7)	44,617	(2)	44,600	46,399	(4)
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	(1,494)	–
Less Average intangible assets	(5,529)	(5,267)	(5)	(5,519)	–	(5,511)	(5,155)	(7)
Average Ordinary Shareholders' Tangible Equity	36,569	39,948	(8)	37,604	(3)	37,595	39,750	(5)
Profit/(loss) for the period attributable to equity holders	1,078	767	41	909	19	3,166	2,695	17
Non-controlling interests	9	(4)	nm ²	4	125	10	(18)	nm ²
Dividend payable on preference shares and AT1 classified as equity	(123)	(119)	(3)	(94)	(31)	(339)	(315)	(8)
Profit/(loss) for the period attributable to ordinary shareholders	964	644	50	819	18	2,837	2,362	20
Items normalised:								
Restructuring	25	99	(75)	37	(32)	70	222	(68)
Net gain on sale of businesses	–	(20)	nm ²	–	nm ²	–	(20)	nm ²
Ventures FVOCI unrealised gains/(losses) net of tax	(49)	(78)	37	(15)	nm ²	(57)	38	nm ²
Tax on normalised items	(13)	(7)	(86)	(5)	(160)	(21)	(22)	5
Underlying profit for the period attributable to ordinary shareholders ³	927	638	45	836	11	2,829	2,580	10
Underlying Return on Tangible Equity	10.1%	6.3%	380bps	8.9%	120bps	10.1%	8.7%	140bps
Statutory Return on Tangible Equity	10.5%	6.4%	410bps	8.7%	180bps	10.1%	7.9%	220bps

1 Comparatives have been restated to include unrealised gains/(losses) from Ventures FVOCI

2 Not meaningful

3 Includes unrealised gains/(losses) from Ventures FVOCI

Net Tangible Asset Value per Share

	30.09.22 \$million	30.09.21 \$million	Change %	30.06.22 \$million	Change %	31.12.21 \$million	Change %
Parent company shareholders' equity	43,127	46,666	(8)	44,055	(2)	46,011	(6)
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	–
Less Intangible assets	(5,520)	(5,347)	(3)	(5,537)	–	(5,471)	(1)
Net shareholders tangible equity	36,113	39,825	(9)	37,024	(2)	39,046	(8)
Ordinary shares in issue, excluding own shares (millions)	2,905	3,078	(6)	2,967	(2)	3,057	(5)
Net Tangible Asset Value per share (cents) ¹	1,243	1,294	(51)	1,248	(5)	1,277	(34)

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

Underlying versus statutory results reconciliations

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

Operating income by client segment

	3Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Underlying operating income	2,745	1,600	10	(37)	4,318
Restructuring	10	–	–	1	11
Other items	–	–	–	–	–
Statutory operating income	2,755	1,600	10	(36)	4,329

	3Q'21 (Restated) ¹				
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	Total \$million
Underlying operating income	2,226	1,431	–	108	3,765
Restructuring	(12)	–	–	(9)	(21)
Other items	–	–	20	–	20
Statutory operating income	2,214	1,431	20	99	3,764

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

Operating income by region

	3Q'22				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Underlying operating income	2,984	652	632	50	4,318
Restructuring	5	–	–	6	11
Other items	–	–	–	–	–
Statutory operating income	2,989	652	632	56	4,329

	3Q'21				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Underlying operating income	2,629	657	514	(35)	3,765
Restructuring	–	–	–	(21)	(21)
Other items	–	–	–	20	20
Statutory operating income	2,629	657	514	(36)	3,764

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT)

	3Q'22			
	Underlying \$million	Restructuring \$million	Net gain on businesses disposed/ held for sale \$million	Statutory \$million
Operating income	4,318	11	–	4,329
Operating expenses	(2,659)	(37)	–	(2,696)
Operating profit/(loss) before impairment losses and taxation	1,659	(26)	–	1,633
Credit impairment	(227)	–	–	(227)
Other impairment	(32)	1	–	(31)
Profit from associates and joint ventures	16	–	–	16
Profit/(loss) before taxation	1,416	(25)	–	1,391

	3Q'21			
	Underlying \$million	Restructuring \$million	Net gain on businesses disposed/ held for sale \$million	Statutory \$million
Operating income	3,765	(21)	20	3,764
Operating expenses	(2,594)	(53)	–	(2,647)
Operating profit/(loss) before impairment losses and taxation	1,171	(74)	20	1,117
Credit impairment	(107)	(1)	–	(108)
Other impairment	(35)	(24)	–	(59)
Profit from associates and joint ventures	46	–	–	46
Profit/(loss) before taxation	1,075	(99)	20	996

Profit before taxation (PBT) by client segment

	3Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,745	1,600	10	(37)	4,318
External	2,405	1,287	10	616	4,318
Inter-segment	340	313	–	(653)	–
Operating expenses	(1,347)	(1,035)	(87)	(190)	(2,659)
Operating profit/(loss) before impairment losses and taxation	1,398	565	(77)	(227)	1,659
Credit impairment	(82)	(87)	(4)	(54)	(227)
Other impairment	(31)	–	–	(1)	(32)
Profit from associates and joint ventures	–	–	(4)	20	16
Underlying profit/(loss) before taxation	1,285	478	(85)	(262)	1,416
Restructuring	2	(22)	–	(5)	(25)
Other items	–	–	–	–	–
Statutory profit/(loss) before taxation	1,287	456	(85)	(267)	1,391

Underlying versus statutory results reconciliations continued

3Q'21 (Restated)¹

	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	Total \$million
Operating income	2,226	1,431	–	108	3,765
External	2,115	1,349	–	301	3,765
Inter-segment	111	82	–	(193)	–
Operating expenses	(1,304)	(1,065)	(60)	(165)	(2,594)
Operating profit/(loss) before impairment losses and taxation	922	366	(60)	(57)	1,171
Credit impairment	(24)	(73)	(1)	(9)	(107)
Other impairment	(30)	–	–	(5)	(35)
Profit from associates and joint ventures	–	–	(1)	47	46
Underlying profit/(loss) before taxation	868	293	(62)	(24)	1,075
Restructuring	(32)	(10)	–	(57)	(99)
Other items	–	–	20	–	20
Statutory profit/(loss) before taxation	836	283	(42)	(81)	996

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated

Profit before taxation (PBT) by region

3Q'22

	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,984	652	632	50	4,318
Operating expenses	(1,715)	(423)	(374)	(147)	(2,659)
Operating profit/(loss) before impairment losses and taxation	1,269	229	258	(97)	1,659
Credit impairment	(193)	(68)	34	–	(227)
Other impairment	(33)	2	1	(2)	(32)
Profit from associates and joint ventures	20	–	–	(4)	16
Underlying profit/(loss) before taxation	1,063	163	293	(103)	1,416
Restructuring	(18)	(1)	(2)	(4)	(25)
Other items	–	–	–	–	–
Statutory profit/(loss) before taxation	1,045	162	291	(107)	1,391

3Q'21

	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,629	657	514	(35)	3,765
Operating expenses	(1,661)	(401)	(350)	(182)	(2,594)
Operating profit/(loss) before impairment losses and taxation	968	256	164	(217)	1,171
Credit impairment	(84)	(33)	11	(1)	(107)
Other impairment	(2)	(1)	(14)	(18)	(35)
Profit from associates and joint ventures	45	–	–	1	46
Underlying profit/(loss) before taxation	927	222	161	(235)	1,075
Restructuring	(36)	(7)	(27)	(29)	(99)
Other items	–	–	–	20	20
Statutory profit/(loss) before taxation	891	215	134	(244)	996

Underlying versus statutory results reconciliations continued

Return on tangible equity (RoTE)

3Q'22					
	Corporate, Commercial & Institutional Banking %	Consumer, Private & Business Banking %	Ventures %	Central & Other Items %	Total %
Underlying RoTE	17.5	19.2	nm	(15.6)	10.1
Restructuring					
Of which: Income	0.2	–	–	0.1	0.1
Of which: Expenses	(0.2)	(1.2)	–	(0.2)	(0.4)
Of which: Credit impairment	–	–	–	–	–
Of which: Other impairment	–	–	–	(0.1)	–
Of which: Profit from associates and joint ventures	–	–	–	0.01	–
Ventures FVOCI Unrealised gains/(losses) net of taxes	–	–	nm	–	0.5
Tax on normalised items	0.1	0.3	–	0.5	0.2
Statutory RoTE	17.6	18.3	nm	(15.2)	10.5

3Q'21 (Restated) ¹					
	Corporate, Commercial & Institutional Banking ¹ %	Consumer, Private & Business Banking ¹ %	Ventures ¹ %	Central & Other Items %	Total %
Underlying RoTE	10.6	11.2	nm	(5.6)	6.3
Restructuring					
Of which: Income	(0.2)	–	–	(0.5)	(0.2)
Of which: Expenses	(0.4)	(0.5)	–	(1.1)	(0.5)
Of which: Credit impairment	–	–	–	–	–
Of which: Other impairment	–	–	–	(1.4)	(0.2)
Of which: Profit from associates and joint ventures	–	–	–	–	–
Ventures FVOCI Unrealised gains/(losses) net of taxes	–	–	nm	–	0.8
Tax on normalised items	0.2	0.2	nm	–	–
Statutory RoTE	10.2	10.7	nm	(8.5)	6.4

¹ Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated

Earnings per ordinary share (EPS)

3Q'22					
	Underlying \$ million	Restructuring \$ million	Net gain on sale of business \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	976	(25)	–	13	964
Basic - Weighted average number of shares (millions)	2,949	–	–	–	2,949
Basic earnings per ordinary share (cents)	33.1	–	–	–	32.7

3Q'21					
	Underlying \$ million	Restructuring \$ million	Net gain on sale of business \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	716	(99)	20	7	644
Basic - Weighted average number of shares (millions)	3,105	–	–	–	3,105
Basic earnings per ordinary share (cents)	23.1	–	–	–	20.7

Risk review

Credit quality by client segment

30.09.22

	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	42,846	127,006	124,804	476	32,591	284,877	159,356	51,280
- Strong	30,815	88,408	120,676	473	32,591	242,148	141,763	36,981
- Satisfactory	12,031	38,598	4,128	3	-	42,729	17,593	14,299
Stage 2	431	9,478	1,972	10	-	11,460	4,359	2,718
- Strong	204	1,339	1,386	6	-	2,731	1,340	315
- Satisfactory	193	7,033	272	2	-	7,307	2,479	1,989
- Higher risk	34	1,106	314	2	-	1,422	540	414
Of which (stage 2):								
- Less than 30 days past due	-	468	272	2	-	742	-	-
- More than 30 days past due	6	56	314	2	-	372	-	-
Stage 3, credit-impaired financial assets	60	5,565	1,396	1	239	7,201	-	585
Gross balance¹	43,337	142,049	128,172	487	32,830	303,538	163,715	54,583
Stage 1	(6)	(145)	(348)	(4)	-	(497)	(44)	(20)
- Strong	(4)	(50)	(285)	(4)	-	(339)	(23)	(13)
- Satisfactory	(2)	(95)	(63)	-	-	(158)	(21)	(7)
Stage 2	(2)	(294)	(139)	(1)	-	(434)	(46)	(18)
- Strong	-	(11)	(52)	(1)	-	(64)	(4)	-
- Satisfactory	(2)	(167)	(51)	-	-	(218)	(24)	(8)
- Higher risk	-	(116)	(36)	-	-	(152)	(18)	(10)
Of which (stage 2):								
- Less than 30 days past due	-	(5)	(38)	-	-	(43)	-	-
- More than 30 days past due	-	-	(36)	-	-	(36)	-	-
Stage 3, credit-impaired financial assets	(14)	(3,455)	(744)	(1)	(17)	(4,217)	-	(137)
Total credit impairment	(22)	(3,894)	(1,231)	(6)	(17)	(5,148)	(90)	(175)
Net carrying value	43,315	138,155	126,941	481	32,813	298,390		
Stage 1	0.0%	0.1%	0.3%	0.8%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	0.8%	0.0%	0.1%	0.0%	0.0%
- Satisfactory	0.0%	0.2%	1.5%	0.0%	0.0%	0.4%	0.1%	0.0%
Stage 2	0.5%	3.1%	7.0%	10.0%	0.0%	3.8%	1.1%	0.7%
- Strong	0.0%	0.8%	3.8%	16.7%	0.0%	2.3%	0.3%	0.0%
- Satisfactory	1.0%	2.4%	18.8%	0.0%	0.0%	3.0%	1.0%	0.4%
- Higher risk	0.0%	10.5%	11.5%	0.0%	0.0%	10.7%	3.3%	2.4%
Of which (stage 2):								
- Less than 30 days past due	0.0%	1.1%	14.0%	0.0%	0.0%	5.8%	0.0%	0.0%
- More than 30 days past due	0.0%	0.0%	11.5%	0.0%	0.0%	9.7%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	23.3%	62.1%	53.3%	100.0%	7.1%	58.6%	0.0%	23.4%
Cover ratio	0.1%	2.7%	1.0%	1.2%	0.1%	1.7%	0.1%	0.3%
Fair value through profit or loss								
Performing	25,049	52,713	34	-	2,422	55,169	-	-
- Strong	21,529	43,265	34	-	2,408	45,707	-	-
- Satisfactory	3,520	9,448	-	-	14	9,462	-	-
- Higher risk	-	-	-	-	-	-	-	-
Defaulted (CG13-14)	-	52	-	-	-	52	-	-
Gross balance (FVTPL)²	25,049	52,765	34	-	2,422	55,221	-	-
Net carrying value (incl FVTPL)	68,364	190,920	126,976	481	35,235	353,612	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$18,032 million under Customers and of \$861 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$47,264 million under Customers and of \$20,620 million under Banks, held at fair value through profit or loss

Risk review continued

30.06.22

	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	35,779	121,965	130,104	340	26,727	279,136	157,596	54,991
- Strong	24,145	79,442	125,633	339	26,628	232,042	140,232	40,220
- Satisfactory	11,634	42,523	4,471	1	99	47,094	17,364	14,771
Stage 2	371	10,488	1,894	5	152	12,539	5,245	2,781
- Strong	34	1,614	1,299	3	-	2,916	1,475	347
- Satisfactory	337	8,191	278	1	-	8,470	3,213	2,146
- Higher risk	-	683	317	1	152	1,153	557	288
Of which (stage 2):								
- Less than 30 days past due	-	54	278	1	-	333	-	-
- More than 30 days past due	-	8	317	1	-	326	-	-
Stage 3, credit-impaired financial assets	78	5,552	1,500	1	-	7,053	-	643
Gross balance ¹	36,228	138,005	133,498	346	26,879	298,728	162,841	58,415
Stage 1	(7)	(141)	(359)	(2)	-	(502)	(37)	(16)
- Strong	(4)	(49)	(272)	(2)	-	(323)	(22)	(8)
- Satisfactory	(3)	(92)	(87)	-	-	(179)	(15)	(8)
Stage 2	(5)	(253)	(130)	-	(2)	(385)	(42)	(16)
- Strong	-	(13)	(53)	-	-	(66)	(6)	(1)
- Satisfactory	(5)	(201)	(37)	-	-	(238)	(32)	(9)
- Higher risk	-	(39)	(40)	-	(2)	(81)	(4)	(6)
Of which (stage 2):								
- Less than 30 days past due	-	-	(37)	-	-	(37)	-	-
- More than 30 days past due	-	-	(40)	-	-	(40)	-	-
Stage 3, credit-impaired financial assets	(15)	(3,575)	(758)	-	-	(4,333)	-	(190)
Total credit impairment	(27)	(3,969)	(1,247)	(2)	(2)	(5,220)	(79)	(222)
Net carrying value	36,201	134,036	132,251	344	26,877	293,508	-	-
Stage 1	0.0%	0.1%	0.3%	0.6%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	0.6%	0.0%	0.1%	0.0%	0.0%
- Satisfactory	0.0%	0.2%	1.9%	0.0%	0.0%	0.4%	0.1%	0.1%
Stage 2	1.3%	2.4%	6.9%	0.0%	1.3%	3.1%	0.8%	0.6%
- Strong	0.0%	0.8%	4.1%	0.0%	0.0%	2.3%	0.4%	0.3%
- Satisfactory	1.5%	2.5%	13.3%	0.0%	0.0%	2.8%	1.0%	0.4%
- Higher risk	0.0%	5.7%	12.6%	0.0%	1.3%	7.0%	0.7%	2.1%
Of which (stage 2):								
- Less than 30 days past due	0.0%	0.0%	13.3%	0.0%	0.0%	11.1%	0.0%	0.0%
- More than 30 days past due	0.0%	0.0%	12.6%	0.0%	0.0%	12.3%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	19.2%	64.4%	50.5%	0.0%	0.0%	61.4%	0.0%	29.5%
Cover ratio	0.1%	2.9%	0.9%	0.6%	0.0%	1.7%	0.0%	0.4%

Fair value through profit or loss

Performing	26,439	58,280	42	-	2,639	60,961	-	-
- Strong	22,848	51,561	42	-	2,638	54,241	-	-
- Satisfactory	3,591	6,655	-	-	1	6,656	-	-
- Higher risk	-	64	-	-	-	64	-	-
Defaulted (CG13-14)	-	5	-	-	-	5	-	-
Gross balance (FVTPL) ²	26,439	58,285	42	-	2,639	60,966	-	-
Net carrying value (incl FVTPL)	62,640	192,321	132,293	344	29,516	354,474	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$7,894 million under Customers and of \$795 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$52,521 million under Customers and of \$21,877 million under Banks, held at fair value through profit or loss

Risk review continued

Credit impairment charge

	9 months ended 30.09.22			9 months ended 30.09.21 (Restated) 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	32	246	278	(51)	(61)	(112)
Consumer, Private & Business Banking	104	62	166	(31)	197	166
Ventures ¹	6	1	7	1	–	1
Central & other items	26	17	43	6	(1)	5
Credit impairment charge	168	326	494	(75)	135	60
Restructuring business portfolio						
Others	(4)	–	(4)	(3)	–	(3)
Credit impairment charge	(4)	–	(4)	(3)	–	(3)
Total credit impairment charge	164	326	490	(78)	135	57

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated.

COVID-19 relief measures

Segment	Total ¹	
	Outstanding \$million	% of portfolio ²
Credit card & Personal loans	5	0.0%
Mortgages & Auto	73	0.1%
Business Banking	131	1.3%
Total Consumer, Private & Business Banking at 30 September 2022	209	0.2%
Total Consumer, Private & Business Banking at 30 June 2022	280	0.2%

1 All of the outstanding COVID-19 payment-related measures at 30 September 2022 and 30 June 2022 are within the Asia region, mainly in Hong Kong, China and India

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

Risk review continued

Vulnerable and cyclical sector

Maximum exposure

30.09.22

Amortised Cost	Maximum On Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off-Balance Sheet Net Exposure \$million
Industry:							
Aviation ¹	2,867	1,654	1,213	1,420	620	2,040	3,253
Commodity Traders	8,880	180	8,700	2,466	6,172	8,638	17,338
Metals & Mining	4,338	320	4,018	3,180	788	3,968	7,986
Construction	2,719	516	2,203	2,207	5,861	8,068	10,271
Commercial Real Estate	15,511	6,715	8,796	6,418	243	6,661	15,457
Hotels & Tourism	2,124	602	1,522	1,282	137	1,419	2,941
Oil & Gas	6,424	744	5,680	7,745	6,071	13,816	19,496
Total	42,863	10,731	32,132	24,718	19,892	44,610	76,742
Total Corporate, Commercial & Institutional Banking	138,155	31,770	106,385	95,513	47,343	142,856	249,241
Total Group	341,705	135,274	206,431	163,625	54,408	218,033	424,464

30.06.22

Amortised Cost	Maximum On Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off-Balance Sheet Net Exposure \$million
Industry:							
Aviation ¹	3,114	1,648	1,466	1,445	735	2,180	3,646
Commodity Traders	8,575	332	8,243	3,094	8,745	11,839	20,082
Metals & Mining	4,061	385	3,676	3,271	729	4,000	7,676
Construction ²	3,100	609	2,491	2,115	6,036	8,151	10,642
Commercial Real Estate	16,601	7,118	9,483	6,618	249	6,867	16,350
Hotels & Tourism	2,087	812	1,275	1,564	137	1,701	2,976
Oil & Gas	7,379	902	6,477	8,214	7,321	15,535	22,012
Total	44,917	11,806	33,111	26,321	23,952	50,273	83,384
Total Corporate, Commercial & Institutional Banking	134,036	24,522	109,514	97,559	51,066	148,625	258,139
Total Group	329,709	132,910	196,799	162,762	58,193	220,955	417,754

¹ In addition to the aviation sector loan exposures, the Group owns \$3.2 billion (30 June 2022: \$3.4 billion) of aircraft under operating leases.

² Included cyclical sector and represented

Risk review continued

Loans and advances by stage

30.09.22												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
Industry:												
Aviation	2,110	(1)	2,109	605	(3)	602	195	(39)	156	2,910	(43)	2,867
Commodity Traders	8,454	(5)	8,449	331	(6)	325	598	(492)	106	9,383	(503)	8,880
Metals & Mining	3,973	(2)	3,971	287	(4)	283	231	(147)	84	4,491	(153)	4,338
Construction	2,122	(12)	2,110	522	(8)	514	486	(391)	95	3,130	(411)	2,719
Commercial Real Estate	13,204	(80)	13,124	1,849	(117)	1,732	1,259	(604)	655	16,312	(801)	15,511
Hotels & Tourism	1,539	(4)	1,535	397	(4)	393	249	(53)	196	2,185	(61)	2,124
Oil & Gas	5,755	(8)	5,747	435	(7)	428	695	(446)	249	6,885	(461)	6,424
Total	37,157	(112)	37,045	4,426	(149)	4,277	3,713	(2,172)	1,541	45,296	(2,433)	42,863
Total Corporate, Commercial & Institutional Banking	127,006	(145)	126,861	9,478	(294)	9,184	5,565	(3,455)	2,110	142,049	(3,894)	138,155
Total Group	327,724	(503)	327,221	11,891	(436)	11,455	7,261	(4,231)	3,030	346,875	(5,170)	341,705

30.06.22												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
Industry:												
Aviation	2,193	(2)	2,191	758	(1)	757	213	(47)	166	3,164	(50)	3,114
Commodity Traders	8,012	(6)	8,006	254	(3)	251	866	(548)	318	9,132	(557)	8,575
Metals & Mining	3,624	(2)	3,622	353	(11)	342	212	(115)	97	4,189	(128)	4,061
Construction ¹	2,540	(2)	2,538	425	(6)	419	539	(396)	143	3,504	(404)	3,100
Commercial Real Estate	14,196	(63)	14,133	2,212	(82)	2,130	841	(503)	338	17,249	(648)	16,601
Hotels & Tourism	1,463	(2)	1,461	430	(5)	425	262	(61)	201	2,155	(68)	2,087
Oil & Gas	6,413	(6)	6,407	718	(12)	706	506	(240)	266	7,637	(258)	7,379
Total	38,441	(83)	38,358	5,150	(120)	5,030	3,439	(1,910)	1,529	47,030	(2,113)	44,917
Total Corporate, Commercial & Institutional Banking	121,965	(138)	121,827	10,488	(256)	10,232	5,552	(3,575)	1,977	138,005	(3,969)	134,036
Total Group	314,915	(509)	314,406	12,910	(390)	12,520	7,131	(4,348)	2,783	334,956	(5,247)	329,709

1 Included cyclical sector and represented

Capital review

Capital ratios

	30.09.22	30.06.22	Change ⁴	31.12.21	Change ⁴
CET1	13.7%	13.9%	(0.2)	14.1%	(0.4)
Tier 1 capital	16.2%	15.9%	0.3	16.6%	(0.4)
Total capital	21.2%	21.0%	0.2	21.3%	(0.1)

Capital base¹

	30.09.22 \$million	30.06.22 \$million	Change ⁵ %	31.12.21 \$million	Change ⁵ %
CET1 instruments and reserves					
Capital instruments and the related share premium accounts	5,441	5,472	(1)	5,528	(2)
Of which: share premium accounts	3,989	3,989	–	3,989	–
Retained earnings ²	25,435	26,266	(3)	24,968	2
Accumulated other comprehensive income (and other reserves)	7,617	8,837	(14)	11,805	(35)
Non-controlling interests (amount allowed in consolidated CET1)	208	188	11	201	3
Independently reviewed interim and year-end profits	3,214	2,092	54	2,346	37
Foreseeable dividends	(509)	(303)	68	(493)	3
CET1 capital before regulatory adjustments	41,406	42,552	(3)	44,355	(7)
CET1 regulatory adjustments					
Additional value adjustments (prudential valuation adjustments)	(826)	(766)	8	(665)	24
Intangible assets (net of related tax liability)	(5,458)	(5,468)	–	(4,392)	24
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(106)	(120)	(12)	(150)	(29)
Fair value reserves related to net losses on cash flow hedges	682	475	44	34	nm ⁶
Deduction of amounts resulting from the calculation of excess expected loss	(663)	(702)	(6)	(580)	14
Net gains on liabilities at fair value resulting from changes in own credit risk	(106)	(100)	6	15	nm ⁶
Defined-benefit pension fund assets	(124)	(184)	(33)	(159)	(22)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(214)	(165)	30	(60)	257
Exposure amounts which could qualify for risk weighting of 1,250%	(76)	(138)	(45)	(36)	111
Other regulatory adjustments to CET1 capital ³	(11)	(11)	–	–	–
Total regulatory adjustments to CET1	(6,902)	(7,179)	(4)	(5,993)	15
CET1 capital	34,504	35,373	(2)	38,362	(10)
Additional Tier 1 capital (AT1) instruments	6,505	5,264	24	6,811	(4)
AT1 regulatory adjustments	(20)	(20)	–	(20)	–
Tier 1 capital	40,989	40,617	1	45,153	(9)
Tier 2 capital	12,532	13,050	(4)	12,521	–
Tier 2 capital instruments	12,532	13,050	(4)	12,521	–
Tier 2 regulatory adjustments	(30)	(30)	–	(30)	–
Tier 2 capital	12,502	13,020	(4)	12,491	–
Total capital	53,491	53,637	–	57,644	(7)
Total risk-weighted assets (unaudited)	252,293	255,082	(1)	271,233	(7)

1 Capital base is prepared on the regulatory scope of consolidation

2 Retained earnings includes IFRS9 capital relief (transitional) of \$106 million

3 Other regulatory adjustments to CET1 capital includes Insufficient coverage for non-performing exposures of -\$11 million

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

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

6 Not meaningful

Capital review continued

Movement in total capital

	9 months ended 30.09.22 \$million	Year ended 31.12.21 \$million
CET1 at 1 January	38,362	38,779
Ordinary shares issued in the period and share premium	–	–
Share buy-back	(1,258)	(506)
Profit for the period	3,214	2,346
Foreseeable dividends deducted from CET1	(509)	(493)
Difference between dividends paid and foreseeable dividends	(239)	(303)
Movement in goodwill and other intangible assets	(1,066)	(118)
Foreign currency translation differences	(2,362)	(652)
Non-controlling interests	7	21
Movement in eligible other comprehensive income	(1,129)	(306)
Deferred tax assets that rely on future profitability	44	(12)
Decrease/(increase) in excess expected loss	(83)	121
Additional value adjustments (prudential valuation adjustment)	(161)	(175)
IFRS 9 transitional impact on regulatory reserves including day one	(146)	(142)
Exposure amounts which could qualify for risk weighting	(40)	(10)
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	(154)	(12)
Other	24	(176)
CET1 at 30 September/31 December	34,504	38,362
AT1 at 1 January	6,791	5,612
Net issuances (redemptions)	251	1,736
Foreign currency translation difference	–	(2)
Excess on AT1 grandfathered limit (ineligible)	(557)	(555)
AT1 at 30 September/31 December	6,485	6,791
Tier 2 capital at 1 January	12,491	12,657
Regulatory amortisation	331	(1,035)
Net issuances (redemptions)	(298)	573
Foreign currency translation difference	(680)	(181)
Tier 2 ineligible minority interest	94	(81)
Recognition of ineligible AT1	557	555
Other	7	3
Tier 2 capital at 30 September/31 December	12,502	12,491
Total capital at 30 September/31 December	53,491	57,644

Capital review continued

Risk-weighted assets by business

	30.09.22			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	114,519	17,038	18,222	149,779
Consumer, Private & Business Banking	42,284	8,639	–	50,923
Ventures	1,150	6	2	1,158
Central & other items	44,570	1,494	4,369	50,433
Total risk-weighted assets	202,523	27,177	22,593	252,293

	30.06.22			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	117,789	17,038	19,350	154,177
Consumer, Private & Business Banking	43,879	8,639	–	52,518
Ventures	1,034	6	3	1,043
Central & other items	42,477	1,494	3,373	47,344
Total risk-weighted assets	205,179	27,177	22,726	255,082

	31.12.21			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking ^{1,2}	125,813	16,595	20,789	163,197
Consumer, Private & Business Banking ^{1,2}	42,731	8,501	–	51,232
Ventures ¹	756	5	–	761
Central & other items ¹	50,288	2,015	3,740	56,043
Total risk-weighted assets	219,588	27,116	24,529	271,233

- Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been re-stated
- Following the Group's change in organisational structure in 2021, certain clients have been moved between the two new client segments, Corporate, Commercial & Institutional Banking and Consumer, Private & Business Banking. Prior period has been restated

Risk-weighted assets by geographic region

	30.09.22 \$million	30.06.22 \$million	Change ¹ %	31.12.21 \$million	Change ¹ %
ASIA	156,553	160,345	(2)	170,381	(8)
Africa & Middle East	42,746	43,613	(2)	48,852	(12)
Europe & Americas	50,779	50,038	1	50,283	1
Central & other items	2,215	1,086	104	1,717	29
Total risk-weighted assets	252,293	255,082	(1)	271,233	(7)

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

Capital review continued

Movement in risk-weighted assets

	Credit risk					Operational risk \$million	Market risk \$million	Total risk \$million
	Commercial, Corporate & Institutional Banking \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	Total \$million			
31 December 2020	127,663	44,755	–	48,023	220,441	26,800	21,593	268,834
1 January 2021	127,581	44,755	289	47,816	220,441	26,800	21,593	268,834
Asset growth & mix	2,270	3,611	467	3,894	10,242	–	–	10,242
Asset quality	(1,537)	(662)	–	13	(2,186)	–	–	(2,186)
Risk-weighted assets efficiencies	(415)	(30)	–	(657)	(1,102)	–	–	(1,102)
Model updates	–	(3,701)	–	–	(3,701)	–	–	(3,701)
Methodology and policy changes	–	–	–	–	–	–	2,065	2,065
Acquisitions/disposals	–	–	–	–	–	–	–	–
Foreign currency translation	(2,086)	(1,242)	–	(1,106)	(4,434)	–	–	(4,434)
Other, including non-credit risk movements	–	–	–	328	328	316	871	1,515
31 December 2021	125,813	42,731	756	50,288	219,588	27,116	24,529	271,233
Asset growth & mix	(3,347)	148	394	(3,640)	(6,445)	–	–	(6,445)
Asset quality	(5,809)	141	–	2,692	(2,976)	–	–	(2,976)
Risk-weighted assets efficiencies	–	–	–	–	–	–	–	–
Model Updates	2,520	2,017	–	–	4,537	–	(1,000)	3,537
Methodology and policy changes	2,024	85	–	38	2,147	–	1,100	3,247
Acquisitions/disposals	–	–	–	–	–	–	–	–
Foreign currency translation	(6,973)	(2,838)	–	(3,803)	(13,614)	–	–	(13,614)
Other, including non-credit risk movements	291	–	–	(1,005)	(714)	61	(2,036)	(2,689)
30 September 2022	114,519	42,284	1,150	44,570	202,523	27,177	22,593	252,293

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been re-stated.

Capital review continued

Leverage ratio

	30.09.22 \$million	30.06.22 \$million	Change ² %	31.12.21 \$million	Change ² %
Tier 1 capital (transitional)	40,989	40,617	1	45,153	(9)
Additional Tier 1 capital subject to phase out	–	–	–	(557)	(100)
Tier 1 capital (end point)	40,989	40,617	1	44,596	(8)
Derivative financial instruments	108,182	76,676	41	52,445	106
Derivative cash collateral	13,984	11,459	22	9,217	52
Securities financing transactions (SFTs)	86,777	83,087	4	88,418	(2)
Loans and advances and other assets	655,492	664,695	(1)	677,738	(3)
Total on-balance sheet assets	864,435	835,917	3	827,818	4
Regulatory consolidation adjustments ¹	(71,781)	(70,350)	2	(63,704)	13
Derivatives adjustments					
Derivatives netting	(78,671)	(56,040)	40	(34,819)	126
Adjustments to cash collateral	(12,736)	(9,831)	30	(17,867)	(29)
Net written credit protection	119	128	(7)	1,534	(92)
Potential future exposure on derivatives	38,787	41,103	(6)	50,857	(24)
Total derivatives adjustments	(52,501)	(24,640)	113	(295)	17,697
Counterparty risk leverage exposure measure for SFTs	14,126	13,318	6	13,724	3
Off-balance sheet items	112,807	146,745	(23)	139,505	(19)
Regulatory deductions from Tier 1 capital	(6,582)	(6,856)	(4)	(5,908)	11
Total exposure measure excluding claims on central banks	860,504	894,134	(4)	911,140	(6)
Leverage ratio excluding claims on central banks (%)	4.8%	4.5%	0.3	4.9%	(0.1)
Average leverage exposure measure excluding claims on central banks	875,125	918,391	(5)	897,992	(3)
Average leverage ratio excluding claims on central banks (%)	4.7%	4.4%	0.3	5.0%	(0.3)
Countercyclical leverage ratio buffer	0.1%	0.1%	–	0.1%	–
G-SII additional leverage ratio buffer	0.4%	0.4%	(0.1)	0.4%	(0.1)

1 Includes adjustment for qualifying central bank claims

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

Financial statements

Condensed consolidated interim income statement

For the nine months ended 30 September 2022

	9 months ended 30.09.22 \$million	9 months ended 30.09.21 \$million
Interest income	9,872	7,704
Interest expense	(4,302)	(2,601)
Net interest income	5,570	5,103
Fees and commission income	3,062	3,432
Fees and commission expense	(538)	(583)
Net fee and commission income	2,524	2,849
Net trading income	4,128	2,762
Other operating income	332	678
Operating income	12,554	11,392
Staff costs	(5,724)	(5,670)
Premises costs	(296)	(282)
General administrative expenses	(1,118)	(1,025)
Depreciation and amortisation	(886)	(891)
Operating expenses	(8,024)	(7,868)
Operating profit before impairment losses and taxation	4,530	3,524
Credit impairment	(490)	(57)
Goodwill, property, plant and equipment and other impairment	(46)	(99)
Profit from associates and joint ventures	169	187
Profit before taxation	4,163	3,555
Taxation	(997)	(860)
Profit for the period	3,166	2,695
Profit attributable to:		
Non-controlling interests	(10)	18
Parent company shareholders	3,176	2,677
Profit for the period	3,166	2,695
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	94.8	75.6
Diluted earnings per ordinary share	93.0	74.4

Financial statements continued

Condensed consolidated interim statement of comprehensive income

For the nine months ended 30 September 2022

	9 months ended 30.09.22 \$million	9 months ended 30.09.21 \$million
Profit for the period	3,166	2,695
Other comprehensive income		
Items that will not be reclassified to income statement:	88	227
Own credit gains on financial liabilities designated at fair value through profit or loss	145	7
Equity instruments at fair value through other comprehensive income	(78)	152
Actuarial gains on retirement benefit obligations	39	128
Taxation relating to components of other comprehensive income	(18)	(60)
Items that may be reclassified subsequently to income statement:	(4,407)	(896)
Exchange differences on translation of foreign operations:		
Net losses taken to equity	(3,338)	(781)
Net gains on net investment hedges	906	151
Share of other comprehensive (loss)/gain from associates and joint ventures	(82)	3
Debt instruments at fair value through other comprehensive income:		
Net valuation losses taken to equity	(1,460)	(202)
Reclassified to income statement	53	(164)
Net impact of expected credit losses	33	8
Cash flow hedges:		
Net (losses)/gains taken to equity	(761)	15
Reclassified to income statement	3	17
Taxation relating to components of other comprehensive income	239	57
Other comprehensive income for the period, net of taxation	(4,319)	(669)
Total comprehensive income for the period	(1,153)	2,026
Total comprehensive income attributable to:		
Non-controlling interests	(64)	14
Parent company shareholders	(1,089)	2,012
Total comprehensive income for the period	(1,153)	2,026

Financial statements continued

Condensed consolidated interim balance sheet

As at 30 September 2022

	30.09.22 \$million	31.12.21 \$million
Assets		
Cash and balances at central banks	66,521	72,663
Financial assets held at fair value through profit or loss	110,510	129,121
Derivative financial instruments	108,182	52,445
Loans and advances to banks	43,315	44,383
Loans and advances to customers	298,390	298,468
Investment securities	160,891	163,437
Other assets	57,720	49,932
Current tax assets	547	766
Prepayments and accrued income	2,637	2,176
Interests in associates and joint ventures	2,066	2,147
Goodwill and intangible assets	5,520	5,471
Property, plant and equipment	5,398	5,616
Deferred tax assets	879	859
Assets classified as held for sale	1,859	334
Total assets	864,435	827,818
Liabilities		
Deposits by banks	27,728	30,041
Customer accounts	447,259	474,570
Repurchase agreements and other similar secured borrowing	3,332	3,260
Financial liabilities held at fair value through profit or loss	87,892	85,197
Derivative financial instruments	106,590	53,399
Debt securities in issue	56,655	61,293
Other liabilities	63,036	44,314
Current tax liabilities	449	348
Accruals and deferred income	4,721	4,651
Subordinated liabilities and other borrowed funds	14,196	16,646
Deferred tax liabilities	779	800
Provisions for liabilities and charges	350	453
Retirement benefit obligations	165	210
Liabilities included in disposal groups held for sale	1,280	-
Total liabilities	814,432	775,182
Equity		
Share capital and share premium account	6,935	7,022
Other reserves	7,617	11,805
Retained earnings	28,576	27,184
Total parent company shareholders' equity	43,128	46,011
Other equity instruments	6,505	6,254
Total equity excluding non-controlling interests	49,633	52,265
Non-controlling interests	370	371
Total equity	50,003	52,636
Total equity and liabilities	864,435	827,818

Financial statements continued

Condensed consolidated interim statement of changes in equity

For the nine months ended 30 September 2022

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves ¹ \$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 shareholder's equity \$million	Other equity instruments \$million	Non-controlling interests \$million	Total \$million
As at 01 January 2021	5,564	1,494	17,207	(52)	529	148	(52)	(5,092)	26,140	45,886	4,518	325	50,729
Profit/(loss) for the period	–	–	–	–	–	–	–	–	2,315	2,315	–	(2)	2,313
Other comprehensive income/(loss)	–	–	–	37	(426)	101	18	(662)	175 ²	(757)	–	(15)	(772)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(31)	(31)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	2,728	–	2,728
Redemption of other equity instruments	–	–	–	–	–	–	–	–	(51)	(51)	(992)	–	(1,043)
Treasury shares purchased	–	–	–	–	–	–	–	–	(242)	(242)	–	–	(242)
Treasury shares issued	–	–	–	–	–	–	–	–	7	7	–	–	7
Share option expenses	–	–	–	–	–	–	–	–	147	147	–	–	147
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(374)	(374)	–	–	(374)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(410)	(410)	–	–	(410)
Share buy-back ^{3,4}	(39)	–	39	–	–	–	–	–	(506)	(506)	–	–	(506)
Other movements	3	–	–	–	–	–	–	10	(17) ⁵	(4)	–	94 ⁶	90
As at 31 December 2021	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	–	–	–	–	–	–	–	–	3,176	3,176	–	(10)	3,166
Other comprehensive income/(loss)	–	–	–	121	(1,328)	(58)	(648)	(2,376)	24 ²	(4,265)	–	(54)	(4,319)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(25)	(25)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	1,241	–	1,241
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(999)	–	(999)
Treasury shares issued	–	–	–	–	–	–	–	–	12	12	–	–	12
Share option expenses	–	–	–	–	–	–	–	–	145	145	–	–	145
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(393)	(393)	–	–	(393)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(339)	(339)	–	–	(339)
Share buy-back ⁷	(87)	–	87	–	–	–	–	–	(1,258)	(1,258)	–	–	(1,258)
Other movements	–	–	–	–	–	–	–	14 ⁵	25 ⁸	39	9 ⁹	88 ¹⁰	136
As at 30 September 2022	5,441	1,494	17,333	106	(1,225)	191	(682)	(8,106)	28,576	43,128	6,505	370	50,003

1 Includes capital reserve of \$5 million, capital redemption reserve of \$217 million and merger reserve of \$17,111 million

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

3 On 25 February 2021, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$19 million, and the total consideration paid was \$255 million (including \$2 million of fees and stamp duty). The total number of shares purchased was 37,148,399 representing 1.18 per cent of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

4 On 3 August 2021, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$20 million, and the total consideration paid was \$251 million (including \$1 million of fees and stamp duty). The total number of shares purchased was 39,914,763 representing 1.28 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 related to non-controlling interest from Mox Bank Limited (\$21 million), Trust Bank Singapore Ltd (\$70 million) and Zodia Markets Holdings Ltd (\$3 million)

7 On 1st August 2022, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. As at Q3 2022 the buyback is ongoing, but the total number of shares purchased was 62,541,043 representing 2.1 per cent of the ordinary shares in issue, the total consideration paid was \$432 million (including \$2.2 million of fees and stamp duty), and a further \$128 million relating to irrevocable obligation to buy back shares under the currency buy-back programme has been recognised. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

8 Movement mainly related to \$21 million NCI on Power2SME Pte Limited and \$8 million on Currency fair Limited

9 \$9 million relates to fees paid on redemption on AT1 securities

10 Movements related to non-controlling interest from Mox Bank Limited (\$29 million), Trust Bank Singapore Ltd (\$47 million), Zodia Markets Holdings Limited (\$3 million), Power2SME (\$9 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 2022. The financial information on which this statement is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with the Group's accounting policies. The Group's significant accounting policies are described in the Annual Report 2021, 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 2022 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 document does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021, which contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

Going concern

The Directors assessed the Group's ability to continue as a going concern, including a review of the Group's forecasts, the impact of COVID 19, 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 2022. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the interim financial information.

Other supplementary financial information

Average balance sheets and yields

Average assets

	9 months ended 30.09.22				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	22,251	55,044	400	0.97	0.69
Gross loans and advances to banks	28,993	42,583	568	1.78	1.06
Gross loans and advances to customers	62,498	305,464	6,746	2.95	2.45
Impairment provisions against loans and advances to banks and customers	–	(5,363)	–	–	–
Investment securities	33,106	166,654	2,158	1.73	1.44
Property, plant and equipment and intangible assets	8,798	–	–	–	–
Prepayments, accrued income and other assets	137,744	–	–	–	–
Investment associates and joint ventures	2,180	–	–	–	–
Total average assets	295,570	564,382	9,872	2.34	1.53

	6 months ended 30.06.22				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	23,650	55,603	146	0.53	0.37
Gross loans and advances to banks	28,854	41,945	326	1.57	0.93
Gross loans and advances to customers	62,985	305,280	4,027	2.66	2.21
Impairment provisions against loans and advances to banks and customers	–	(5,496)	–	–	–
Investment securities	32,943	168,003	1,286	1.54	1.29
Property, plant and equipment and intangible assets	8,727	–	–	–	–
Prepayments, accrued income and other assets	130,842	–	–	–	–
Investment associates and joint ventures	2,196	–	–	–	–
Total average assets	290,197	565,335	5,785	2.06	1.36

	9 months ended 30.09.21				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	22,945	57,362	69	0.16	0.11
Gross loans and advances to banks	23,512	46,091	369	1.07	0.71
Gross loans and advances to customers	54,632	306,924	5,721	2.49	2.12
Impairment provisions against loans and advances to banks and customers	–	(6,374)	–	–	–
Investment securities	31,746	153,280	1,545	1.35	1.12
Property, plant and equipment and intangible assets	8,916	–	–	–	–
Prepayments, accrued income and other assets	110,815	–	–	–	–
Investment associates and joint ventures	2,297	–	–	–	–
Total average assets	254,863	557,283	7,704	1.85	1.27

Other supplementary financial information continued

Average liabilities

	9 months ended 30.09.22				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	17,424	28,061	161	0.77	0.47
Customer accounts:					
Current accounts and savings deposits	53,070	267,651	1,236	0.62	0.52
Time and other deposits	64,420	152,245	1,741	1.53	1.07
Debt securities in issue	6,464	61,244	705	1.54	1.39
Accruals, deferred income and other liabilities	141,654	1,094	33	4.03	0.03
Subordinated liabilities and other borrowed funds	–	15,305	426	3.72	3.72
Non-controlling interests	370	–	–	–	–
Shareholders' funds	50,950	–	–	–	–
	334,352	525,600	4,302	1.09	0.67
Adjustment for Financial Markets funding costs			(213)		
Financial guarantee fees on interest earning assets			63		
Total average liabilities and shareholders' funds	334,352	525,600	4,152	1.06	0.65

	6 months ended 30.06.22				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	18,293	29,193	92	0.64	0.39
Customer accounts:					
Current accounts and savings deposits	54,567	270,071	585	0.44	0.36
Time and other deposits	63,898	149,866	853	1.15	0.80
Debt securities in issue	6,228	61,288	347	1.14	1.04
Accruals, deferred income and other liabilities	132,958	1,127	23	4.12	0.03
Subordinated liabilities and other borrowed funds	–	15,559	247	3.20	3.20
Non-controlling interests	340	–	–	–	–
Shareholders' funds	49,493	–	–	–	–
	325,777	527,104	2,147	0.82	0.51
Adjustment for Financial Markets funding costs			(106)		
Financial guarantee fees on interest earning assets			47		
Total average liabilities and shareholders' funds	325,777	527,104	2,088	0.80	0.49

Other supplementary financial information continued

	9 months ended 30.09.21				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	19,094	26,530	104	0.52	0.30
Customer accounts:					
Current accounts and savings deposits	49,937	259,389	608	0.31	0.26
Time and other deposits	52,444	149,719	1,046	0.93	0.69
Debt securities in issue	6,337	60,006	425	0.95	0.86
Accruals, deferred income and other liabilities	115,108	1,164	40	4.59	0.05
Subordinated liabilities and other borrowed funds	-	16,525	378	3.06	3.06
Non-controlling interests	370	-	-	-	-
Shareholders' funds	51,662	-	-	-	-
	294,952	513,333	2,601	0.68	0.43
Adjustment for Financial Markets funding costs			(77)		
Financial guarantee fees on interest earning assets			73		
Total average liabilities and shareholders' funds	294,952	513,333	2,597	0.68	0.43

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.

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Please refer to the Group’s 2021 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.

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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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