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28 April 2020

(Hong Kong Stock Code: 5)

**HSBC Holdings plc
1Q20 EARNINGS RELEASE**

The attached announcement is being released to all the stock exchanges on which HSBC Holdings plc is listed.

For and on behalf of
HSBC Holdings plc

Aileen Taylor
Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Mark Tucker*, Noel Quinn, Laura Cha†, Henri de Castries†, Irene Lee†, José Antonio Meade Kuribreña†, Heidi Miller†, David Nish†, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

* Non-executive Group Chairman

† Independent non-executive Director

HSBC Holdings plc

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Incorporated in England with limited liability. Registered in England: number 617987

28 APRIL 2020

HSBC HOLDINGS PLC

1Q20 EARNINGS RELEASE

Noel Quinn, Group Chief Executive, said:

"The economic impact of the Covid-19 pandemic on our customers has been the main driver of the change in our financial performance since the turn of the year. The resultant increase in expected credit losses in the first quarter contributed to a material fall in reported profit before tax compared with the same period last year.

HSBC has always been there for our customers in times of crisis, and we are working hard to support them during this unprecedented period of disruption. We do so from a position of strength, with robust levels of capital, funding and liquidity. The market-specific support measures that we are offering our personal and business customers have had strong take-up, and we remain responsive to their changing needs. We are also working closely with governments around the world to channel fiscal support to the real economy quickly and efficiently.

I take the well-being of our people extremely seriously. We have therefore paused the vast majority of redundancies related to the transformation we announced in February to reduce the uncertainty they are facing at this difficult time. We continue to press forward with the other areas of our transformation with the aim of delivering a stronger and leaner business that is better equipped to help our customers prosper in the recovery still to come."

Financial performance (vs. 1Q19)

- **Reported profit before tax down 48% to \$3.2bn** from higher expected credit losses and other credit impairment charges ('ECL') and lower revenue. The reduction primarily reflected the global impact of the Covid-19 outbreak and weakening oil prices.
- **Reported revenue down 5%** as a result of adverse market impacts in life insurance manufacturing and adverse valuation adjustments in Global Banking and Markets ('GB&M'), offsetting a resilient revenue performance, notably in Asia, Global Markets, Retail Banking and Global Private Banking ('GPB').
- **Net interest margin ('NIM') of 1.54%, down 2 basis points ('bps') from 4Q19 and down 5bps from 1Q19.** We expect material downward pressure on NIM in future quarters as we incur the full impact of 1Q20 market interest rate reductions.
- **Reported ECL increased by \$2.4bn to \$3.0bn** due to the impact of Covid-19 and weakening oil prices on the forward economic outlook and a significant charge related to a corporate exposure in Singapore. Allowance for ECL increased from \$9.2bn at 31 December 2019 to \$11.1bn at 31 March 2020.
- **During the quarter, lending increased by \$41bn and deposits grew by \$47bn** on a constant currency basis. Lending and deposit growth included the effects of corporate customers drawing on existing and new credit lines and re-depositing these to increase cash balances. Deposit balances also reflected continued growth in Retail Banking and Wealth Management ('RBWM').
- **Reported operating expenses down 5% and adjusted operating expenses down 3%**, despite continued investment, due to lower performance-related pay and reduced discretionary costs.
- **Common equity tier 1 capital ('CET1') ratio of 14.6%** (4Q19: 14.7%), including the impact of the cancellation of the final dividend in respect of 2019. **Liquidity coverage ratio ('LCR') of 156%** (4Q19: 150%) and a deposit surplus – the excess of deposit balances over lending balances – of over \$400bn.

2020 outlook

- **The outlook for world economies in 2020 has substantially worsened in the past two months.** The impact and duration of the Covid-19 crisis will likely lead to higher ECL and put pressure on revenue due to lower customer activity levels and reduced global interest rates. We plan to reduce operating expenses to partly mitigate the reduction in revenue and we intend to continue to exercise cost discipline, while maintaining strategic investment. These factors are expected to lead to materially lower profitability in 2020, relative to 2019.
- **We have temporarily delayed parts of our transformation**, including some elements of our cost and risk-weighted asset ('RWA') reduction programme, and expect restructuring costs for 2020 to be lower than indicated in our 2019 annual results.
- **We also expect mid-to-high single digit percentage growth in RWAs in 2020**, including as a result of the effects of negative credit rating migration movements, impacting our CET1 ratio.
- **During 2020, we will continue to assess the impact of the Covid-19 crisis** and review our financial performance and business plan accordingly. We will assess the appropriateness of our medium-term financial targets during that period, and will review our dividend policy at, or ahead of, our year-end results for 2020.

Earnings Release – 1Q20

Key financial metrics

	Quarter ended			
	31 Mar 2020	31 Dec 2019	31 Mar 2019	
Reported results				
Reported revenue (\$m)	13,686	13,371	14,428	
Reported profit before tax (\$m)	3,229	(3,897)	6,213	
Reported profit after tax (\$m)	2,508	(5,024)	4,910	
Profit attributable to the ordinary shareholders of the parent company (\$m)	1,785	(5,509)	4,134	
Basic earnings per share (\$)	0.09	(0.27)	0.21	
Diluted earnings per share (\$)	0.09	(0.27)	0.21	
Return on average ordinary shareholders' equity (annualised) (%)	4.4	(13.3)	10.2	
Return on average tangible equity (annualised) (%)	4.2	5.2	10.6	
Net interest margin (%)	1.54	1.56	1.59	
Adjusted results				
Adjusted revenue (\$m)	13,327	13,586	14,149	
Adjusted profit before tax (\$m)	3,042	4,343	6,246	
Adjusted cost efficiency ratio (%)	57.6	66.6	55.9	
Expected credit losses and other credit impairment charges ('ECL') (annualised) as % of average gross loans and advances to customers (%)	1.18	0.28	0.24	
Balance sheet				
		At		
		31 Mar 2020	31 Dec 2019	31 Mar 2019
Total assets (\$m)		2,917,810	2,715,152	2,658,996
Net loans and advances to customers (\$m)		1,040,282	1,036,743	1,005,279
Customer accounts (\$m)		1,440,529	1,439,115	1,356,511
Average interest-earning assets, year to date (\$m)		1,991,702	1,922,822	1,902,912
Loans and advances to customers as % of customer accounts (%)		72.2	72.0	74.1
Total shareholders' equity (\$m)		189,771	183,955	188,362
Tangible ordinary shareholders' equity (\$m)		150,019	144,144	141,648
Net asset value per ordinary share at period end (\$) ¹		8.30	8.00	8.20
Tangible net asset value per ordinary share at period end (\$)		7.44	7.13	7.05
Capital, leverage and liquidity				
Common equity tier 1 capital ratio (%) ²		14.6	14.7	14.3
Risk-weighted assets (\$m) ²		857,078	843,395	879,485
Total capital ratio (%) ²		20.3	20.4	20.2
Leverage ratio (%) ²		5.3	5.3	5.4
High-quality liquid assets (liquidity value) (\$bn)		617	601	535
Liquidity coverage ratio (%)		156	150	143
Share count				
Period end basic number of \$0.50 ordinary shares outstanding (millions)		20,172	20,206	20,082
Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)		20,245	20,280	20,177
Average basic number of \$0.50 ordinary shares outstanding (millions)		20,161	20,158	20,036
Dividend per ordinary share (in respect of the period) (\$)		–	0.30	0.10

- ¹ The definition of net asset value per ordinary share is total shareholders' equity, less non-cumulative preference shares and capital securities, divided by the number of ordinary shares in issue excluding shares the company has purchased and are held in treasury.
- ² Unless otherwise stated, regulatory capital ratios and requirements are calculated in accordance with the transitional arrangements of the Capital Requirements Regulation in force in the EU at the time, including the regulatory transitional arrangements for IFRS 9 'Financial Instruments' in article 473a. The capital ratios and requirements are reported in accordance with the revised Capital Requirements Regulation and Directive ('CRR II'), as implemented. Leverage ratios are calculated using the end point definition of capital.

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HSBC Holdings plc will be conducting a trading update conference call with analysts and investors today to coincide with the publication of its *Earnings Release*. The call will take place at 07.30am BST. Details of how to participate in the call and the live audio webcast can be found at www.hsbc.com/investors.

Note to editors

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,918bn at 31 March 2020, HSBC is one of the world's largest banking and financial services organisations.

Covid-19

Impact on our business

The outbreak of Covid-19 has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. The outbreak has caused disruption to our customers, suppliers and staff globally. A number of jurisdictions in which we operate have implemented severe restrictions on the movement of populations, with a resultant significant impact on economic activity. These restrictions are being determined by the governments of individual jurisdictions, including through the implementation of emergency powers. The impacts of these restrictions, including the subsequent lifting of restrictions, may vary from jurisdiction to jurisdiction. We have invoked our business continuity plans at many of our sites to help ensure the safety and well-being of our staff, as well as our ability to support our customers and maintain our business operations. Many of our staff have continued to provide critical services in branches, contact and service centres, and in offices, all with heightened safety measures, and we have equipped the majority of our staff to work remotely. It remains unclear how this will evolve through 2020 and we continue to monitor the situation closely.

In many of our markets we have initiated market-specific measures to support our personal and business customers through these challenging times, including mortgage assistance, payment holidays, the waiving of certain fees and charges, and liquidity relief for businesses facing market uncertainty and supply chain disruption. These measures have been well received and we remain responsive to our customers' changing needs. We are also working closely with governments and supporting national schemes that focus on the parts of the economy most impacted by Covid-19.

The actions taken by the various governments and central banks, in particular in the UK, mainland China, Hong Kong and the US, provide an indication of the potential severity of the downturn and post-recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. An immediate financial impact of the outbreak is an increase in ECL, driven by a change in the economic scenarios used to calculate ECL. The outbreak has led to a weakening in GDP in many of our markets, a key input used for calculating ECL, and the probability of a more adverse economic scenario for at least the short term is substantially higher than at 31 December 2019. Furthermore, ECL will arise from other parts of our business impacted by the disruption to supply chains. The impact will vary by sectors of the economy, with heightened risk to the oil and gas, transport and discretionary consumer sectors being observed in the first stages of the outbreak. The impact of the outbreak on the long-term prospects of businesses in these sectors is uncertain and may lead to significant ECL charges on specific exposures, which may not be fully captured by ECL modelling techniques. In addition, in times of crisis, fraudulent activity is often more prevalent, leading to potentially significant ECL charges.

Should the Covid-19 outbreak continue to cause disruption to economic activity globally through 2020, there could be further adverse impacts on our income due to lower lending and transaction volumes and lower wealth and insurance manufacturing revenue due to equity markets volatility. Lower interest rates globally will negatively impact net interest income and increase the cost of guarantees for insurance manufacturing, and there could also be adverse impacts on other assets, such as our investment in Bank of Communications Co., Limited.

The Covid-19 outbreak will also have material impacts on capital and liquidity. This may include downward customer credit rating migration, which could negatively impact our risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks have put in place to support funding and liquidity. Central banks in some markets have also initiated a series of capital measures, including the reduction of certain regulatory capital buffers, to support the ability of banks to supply credit to businesses and households through this period of economic disruption.

Central bank and government actions and support measures may result in restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation. In response to a written request from the UK's Prudential Regulation Authority ('PRA'), we cancelled the fourth interim dividend of \$0.21 per ordinary share. Similar requests were also made to other UK incorporated banking groups. We also announced that until the end of 2020 we will make no quarterly or interim dividend payments or accruals in respect of ordinary shares. As previously disclosed in our *Annual Report and Accounts 2019*, we also plan to suspend share buy-backs in respect of ordinary shares in 2020 and 2021.

Approach to risk management

We have maintained a consistent approach to risk throughout our history and have in place a comprehensive risk management framework to manage such risks. We operate a wide-ranging stress testing programme at legal entity, regional and overall Group level that is a key part of our capital and liquidity risk management and planning. Stress testing provides management with key insights into the impact of severely adverse events on the Group, and provides confidence to regulators on the Group's financial stability. As well as undertaking regulatory-driven stress tests, we conduct our own stress tests to understand the nature of material risks, quantify the impact of such risks and develop plausible business-as-usual mitigating actions. Given the novel or prolonged nature of the current crisis, additional mitigating actions may be required.

At 31 March 2020, our common equity tier 1 ('CET1') ratio was 14.6%, compared with 14.7% at 31 December 2019, and our liquidity coverage ratio ('LCR') was 156%. Our capital, funding and liquidity position will help us to continue supporting our customers throughout the Covid-19 outbreak.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak would have a material adverse effect on our financial condition, results of operations, prospects, liquidity, capital position and credit ratings. This would, in turn, have an impact on our ability to meet our financial targets as set out in our business update in February 2020 and also adversely affect our future dividend policy.

Adjusted performance

Adjusted performance is computed by adjusting reported results for the effects of foreign currency translation differences and significant items, which both distort period-on-period comparisons.

We consider adjusted performance to provide useful information for investors by aligning internal and external reporting, identifying and quantifying items management believes to be significant, and providing insight into how management assesses period-on-period performance.

Foreign currency translation differences

Foreign currency translation differences reflect the movements of the US dollar against most major currencies. We exclude them to derive constant currency data, allowing us to assess balance sheet and income statement performance on a like-for-like basis and understand better the underlying trends in the business.

Foreign currency translation differences

Foreign currency translation differences for 1Q20 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statements for 4Q19 and 1Q19 at the average rates of exchange for 1Q20; and
- the closing prior period balance sheets at the prevailing rates of exchange on 31 March 2020.

No adjustment has been made to the exchange rates used to translate foreign currency-denominated assets and liabilities into the functional currencies of any HSBC branches, subsidiaries, joint ventures or associates. The constant currency data of HSBC's Argentinian subsidiaries have not been adjusted further for the impacts of hyperinflation. When reference is made to foreign currency translation differences in tables or commentaries, comparative data reported in the functional currencies of HSBC's operations have been translated at the appropriate exchange rates applied in the current period on the basis described above.

Significant items

'Significant items' refers collectively to the items that management and investors would ordinarily identify and consider separately to understand better the underlying trends in the business.

The tables on pages 22 to 24 detail the effects of significant items on each of our global business segments during 1Q20, 4Q19 and 1Q19.

Adjusted performance – foreign currency translation of significant items

The foreign currency translation differences related to significant items are presented as a separate component of significant items. This is considered a more meaningful presentation as it allows better comparison of period-on-period movements in performance.

Global business performance

The Group Chief Executive, supported by the rest of the Group Executive Committee ('GEC') (previously the Group Management Board), is considered to be the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments.

The Group Chief Executive and the rest of the GEC review operating activity on a number of bases, including by global business and geographical region. Global businesses are our reportable segments under IFRS 8 'Operating Segments'. Global business results are assessed by the CODM on the basis of adjusted performance, which removes the effects of significant items and currency translation from reported results. We therefore present these results on an adjusted basis as required by IFRSs.

A reconciliation of the Group's adjusted results to the Group's reported results is presented below. Supplementary reconciliations of adjusted to reported results by global business are presented on pages 22 to 24 for information purposes.

Management view of adjusted revenue

Our global business segment commentary includes tables that provide breakdowns of adjusted revenue by major product. These reflect the basis on which revenue performance of the businesses is assessed and managed.

Reconciliation of reported and adjusted results

	Footnotes	Quarter ended		
		31 Mar 2020 \$m	31 Dec 2019 \$m	31 Mar 2019 \$m
Revenue				
Reported	1	13,686	13,371	14,428
Currency translation			(66)	(257)
Significant items		(359)	281	(22)
– customer redress programmes		–	45	–
– disposals, acquisitions and investment in new businesses		7	55	–
– fair value movement on financial instruments	2	(357)	176	(22)
– restructuring and other related costs		(9)	–	–
– currency translation of significant items			5	–
Adjusted		13,327	13,586	14,149
Change in expected credit losses and other credit impairment charges				
Reported		(3,026)	(733)	(585)
Currency translation			11	16
Adjusted		(3,026)	(722)	(569)
Operating expenses				
Reported		(7,852)	(17,053)	(8,222)
Currency translation			54	156
Significant items		172	7,956	155
– cost of structural reform	3	–	32	53
– customer redress programmes		1	183	56
– goodwill impairment		–	7,349	–
– restructuring and other related costs		170	400	50
– settlements and provisions in connection with legal and regulatory matters		1	5	–
– currency translation of significant items			(13)	(4)
Adjusted		(7,680)	(9,043)	(7,911)
Share of profit in associates and joint ventures				
Reported		421	518	592
Currency translation			4	(15)
Adjusted		421	522	577
Profit/(loss) before tax				
Reported		3,229	(3,897)	6,213
Currency translation			3	(100)
Significant items		(187)	8,237	133
– revenue		(359)	281	(22)
– operating expenses		172	7,956	155
Adjusted		3,042	4,343	6,246
Loans and advances to customers (net)				
Reported		1,040,282	1,036,743	1,005,279
Currency translation			(37,012)	(29,133)
Adjusted		1,040,282	999,731	976,146
Customer accounts				
Reported		1,440,529	1,439,115	1,356,511
Currency translation			(45,453)	(33,626)
Adjusted		1,440,529	1,393,662	1,322,885

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.

3 Comprises costs associated with preparations for the UK's exit from the European Union.

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Financial performance

Distribution of results by global business

	Quarter ended		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	\$m	\$m	\$m
Adjusted profit/(loss) before tax			
Retail Banking and Wealth Management	357	1,914	2,195
Commercial Banking	611	1,646	1,992
Global Banking and Markets	823	1,272	1,611
Global Private Banking	121	86	98
Corporate Centre	1,130	(575)	350
Total	3,042	4,343	6,246

Distribution of results by geographical region

	Quarter ended		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	\$m	\$m	\$m
Reported profit/(loss) before tax			
Europe	(511)	(3,709)	(14)
Asia	3,740	4,037	5,006
Middle East and North Africa	44	286	465
North America	(111)	(278)	379
Latin America	67	(271)	377
Global GB&M goodwill impairment	–	(3,962)	–
Total	3,229	(3,897)	6,213
Adjusted profit/(loss) before tax			
Europe	(685)	(516)	54
Asia	3,643	4,117	5,022
Middle East and North Africa	43	392	471
North America	(10)	265	386
Latin America	51	85	313
Total	3,042	4,343	6,246

Tables showing adjusted profit before tax by global business and region are presented to support the commentary on adjusted performance on the following pages.

The tables on pages 22 to 24 reconcile reported to adjusted results for each of our global business segments.

Group

1Q20 compared with 1Q19 – reported results

Movement in reported profit before tax compared with 1Q19

	Quarter ended			
	31 Mar	31 Mar	Variance	
	2020	2019	1Q20 vs. 1Q19	
	\$m	\$m	\$m	%
Revenue	13,686	14,428	(742)	(5)
ECL	(3,026)	(585)	(2,441)	(417)
Operating expenses	(7,852)	(8,222)	370	5
Share of profit from associates and JVs	421	592	(171)	(29)
Profit before tax	3,229	6,213	(2,984)	(48)
Tax expense	(721)	(1,303)	582	45
Profit after tax	2,508	4,910	(2,402)	(49)

Reported profit

Reported profit after tax of \$2.5bn was \$2.4bn or 49% lower than in 1Q19.

Reported profit before tax of \$3.2bn was \$3.0bn or 48% lower, reflecting higher reported ECL and lower reported revenue. While performance in the first two months delivered good results, the global impact of the Covid-19 outbreak and weakening oil prices had a significant adverse impact on performance in March.

Results in 1Q20 included adverse market impacts in insurance manufacturing in RBWM of \$689m following a weakening of global equity prices and lower interest rates (1Q19: \$183m favourable), while GB&M included an adverse movement in credit and funding valuation adjustments of \$346m (1Q19: \$46m favourable), adverse bid-offer adjustments of \$310m (1Q19: \$3m favourable) and losses in Principal Investments of \$235m (1Q19: gains of \$83m). Results also included favourable fair value movements on our long-term debt and associated swaps in Corporate Centre of \$259m (1Q19: \$50m favourable). In 1Q19, results included gains on disposals in Latin America of \$157m and a release of a provision in Equities in GB&M of \$106m.

The reduction in reported profit before tax included a net favourable movement in significant items between the periods of \$0.3bn, mainly from favourable fair value movements on financial instruments of \$0.3bn. Significant items in reported operating expenses were broadly unchanged and included higher restructuring and other related costs of \$0.1bn, which were broadly offset by lower structural reform costs of \$0.1bn and a decrease in customer redress programmes of \$0.1bn.

Excluding net favourable movements in significant items of \$0.3bn and adverse foreign currency translation differences of \$0.1bn, profit before tax decreased by \$3.2bn or 51%.

Reported revenue

Reported revenue of \$13.7bn was \$0.7bn or 5% lower than in 1Q19, and included a net favourable movement in significant items of \$0.3bn, mainly from fair value movements on financial instruments, which were broadly offset by adverse foreign currency translation differences of \$0.3bn. The remaining reduction reflected decreases in RBWM, GB&M and Commercial Banking ('CMB'), partly offset by higher revenue in Corporate Centre.

Lower revenue in RBWM was primarily driven by adverse market impacts in life insurance manufacturing of \$689m following a weakening of global equity prices and lower interest rates. This compared with favourable market impacts in 1Q19. In GB&M, lower revenue was due to adverse movements in credit and funding valuation adjustments of \$346m (1Q19: \$46m favourable), and losses in Principal Investments of \$235m, compared with gains in 1Q19 of \$83m. These reductions were partly offset by growth in Global Markets, reflecting increased client activity as a result of higher volatility, notwithstanding adverse bid-offer adjustments of \$310m (1Q19: \$3m favourable). In CMB, lower revenue was mainly in Global Liquidity and Cash Management ('GLCM') due to the effects of lower interest rates. These decreases were partly offset by higher revenue in Corporate Centre, driven by favourable fair value movements on our long-term debt and associated swaps and from higher revenue in Balance Sheet Management.

Excluding foreign currency translation differences and significant items, revenue decreased by \$0.8bn or 6%.

Reported ECL

Reported ECL of \$3.0bn were \$2.4bn higher than in 1Q19, mainly from charges relating to the global impact of Covid-19 and weakening oil prices on the forward economic outlook. ECL in 1Q20 included a significant charge related to a corporate exposure in Singapore, which was the primary driver of the \$0.7bn increase in ECL in CMB in Asia. We also incurred ECL charges relating to a small number of clients in GB&M.

Adjusted ECL (annualised) as a percentage of average gross loans and advances to customers was 1.18%, compared with 0.24% at 1Q19.

The estimated impact of Covid-19 was incorporated in the ECL through additional scenario analysis, which considered differing severity and duration assumptions relating to the global pandemic. This included probability-weighted shocks to annual GDP and consequential impacts on unemployment and other economic variables, with differing economic recovery assumptions. The impact of using additional scenarios to address the impact of Covid-19 was an additional ECL charge of \$1.5bn, consisting of \$630m in the retail portfolio and \$882m in the wholesale portfolio.

Applying a range of weightings to our sensitivity analysis, our severe ECL scenario, together with historical loss experience for the remaining quarters, could result in an ECL charge for 2020 in the range of \$7bn to \$11bn. The severe ECL scenario is described on page 18 and considers a longer period of negative economic impacts. However, as noted on pages 3 and 4, there is significant uncertainty over the path of the pandemic, the range and duration of economic impacts (including the effects of various government support packages), and its impact on customers' ability to repay their debt obligations and, therefore, the ECL charge for the year.

For more information on the economic scenarios, see page 18.

Reported operating expenses

Reported operating expenses of \$7.9bn were \$0.4bn or 5% lower than in 1Q19 and included favourable foreign currency translation differences of \$0.2bn. The remaining reduction reflected lower performance-related pay of \$0.4bn and a reduction of \$0.2bn from our cost-saving initiatives, partly offset by increased investment in business growth, including investment in digital.

Significant items remained broadly unchanged compared with 1Q19, and included restructuring and other related costs of \$0.2bn, which included \$125m in relation to our cost reduction plan, of which \$22m related to severance.

Excluding significant items and foreign currency translation differences, operating expenses of \$7.7bn were \$0.2bn or 3% lower than in 1Q19. We continue to manage our costs closely and have reduced discretionary expenditure, and we are reviewing and reprioritising our spending plans in response to the current economic uncertainty resulting from Covid-19.

The number of employees expressed in full-time equivalent staff ('FTEs') at 31 March 2020 was 235,047, a decrease of 304 from 31 December 2019. Additionally, the number of contractors at 31 March 2020 was 6,979, a decrease of 432 from 31 December 2019.

Reported share of profit from associates and JVs

Reported share of profit from associates and joint ventures of \$0.4bn decreased by \$0.2bn or 29%, primarily from a reduction in income from an associate in the UK reflecting the impact of Covid-19.

Tax expense

The effective tax rate for 1Q20 of 22.3% was higher than 21.0% in 1Q19 as a result of the effect of changes in profit mix and the remeasurement of deferred tax balances in light of the cancellation of the planned reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020.

Earnings Release – 1Q20

Group

1Q20 compared with 4Q19 – reported results

Movement in reported profit before tax compared with 4Q19

	Quarter ended			
	31 Mar	31 Dec	Variance	
	2020	2019	1Q20 vs. 4Q19	
	\$m	\$m	\$m	%
Revenue	13,686	13,371	315	2
ECL	(3,026)	(733)	(2,293)	(313)
Operating expenses	(7,852)	(17,053)	9,201	54
Share of profit from associates and JVs	421	518	(97)	(19)
Profit before tax	3,229	(3,897)	7,126	183
Tax expense	(721)	(1,127)	406	36
Profit after tax	2,508	(5,024)	7,532	150

Reported profit

Reported profit after tax of \$2.5bn compared with a loss of \$5.0bn in 4Q19, primarily due to the non-recurrence of a goodwill impairment of \$7.3bn.

Reported profit before tax of \$3.2bn compared with a loss of \$3.9bn in 4Q19, reflecting lower reported operating expenses from the non-recurrence of a goodwill impairment of \$7.3bn, and as 4Q19 included the UK bank levy of \$1.0bn. These movements were partly offset by an increase in ECL, mainly from charges relating to the global impact of Covid-19 and weakening oil prices on the forward economic outlook.

Reported revenue in 1Q20 included adverse market impacts in insurance manufacturing in RBWM of \$689m following a weakening of global equity prices and lower interest rates (4Q19: \$202m favourable), while GB&M included an adverse movement in credit and funding valuation adjustments of \$346m (4Q19: \$189m favourable), adverse bid-offer adjustments of \$310m (4Q19: \$15m favourable) and losses in Principal Investments of \$235m (4Q19: gains of \$45m). Results also included favourable fair value movements on our long-term debt and associated swaps in Corporate Centre of \$259m (4Q19: \$73m adverse).

Excluding net favourable movements in significant items of \$8.4bn and a minimal effect of foreign currency translation differences, profit before tax decreased by \$1.3bn or 30%.

Reported revenue

Reported revenue of \$13.7bn was \$0.3bn or 2% higher than in 4Q19, mainly due to a net favourable movement in significant items of \$0.6bn, primarily from favourable fair value movements on financial instruments, partly offset by adverse foreign currency translation differences of \$0.1bn.

Excluding foreign currency translation differences and significant items, revenue decreased by \$0.3bn or 2%.

This reduction was mainly in RBWM due to adverse movements in market impacts in life insurance manufacturing following a weakening of global equity prices and lower interest rates. This compared with favourable market impacts in 4Q19. In addition, revenue in GB&M was lower from adverse movements in credit and funding valuation adjustments and losses in Principal Investments, partly offset by higher revenue in Global Markets reflecting increased client activity as a result of higher volatility, notwithstanding adverse bid-offer adjustments of \$310m (4Q19: \$15m favourable). In Corporate Centre, revenue increased from favourable fair value movements on our long-term debt and associated swaps and from a rise in revenue in Balance Sheet Management.

Reported ECL

Reported ECL of \$3.0bn were \$2.3bn higher than in 4Q19, mainly from charges relating to the global impact of Covid-19 and weakening oil prices on the forward economic outlook. In addition, ECL in 1Q20 included a significant charge in CMB related to a corporate exposure in Singapore.

Adjusted ECL (annualised) as a percentage of average gross loans and advances to customers was 1.18%, compared with 0.28% at 4Q19.

Reported operating expenses

Reported operating expenses of \$7.9bn were \$9.2bn or 54% lower than in 4Q19, reflecting a \$7.8bn decrease in significant items. These included the non-recurrence of a goodwill impairment of \$7.3bn and charges related to customer redress programmes, which were \$182m lower.

Excluding significant items and foreign currency translation differences, operating expenses of \$7.7bn decreased by \$1.4bn or 15%, with the reduction mainly attributable to the non-recurrence of a 4Q19 charge of \$1.0bn related to the UK bank levy, a reduction in performance-related pay of \$0.2bn and lower discretionary expenditure. The impact of our cost-saving initiatives contributed a further \$0.1bn reduction.

Reported share of profit from associates and JVs

Reported income from associates and joint ventures of \$0.4bn decreased by \$97m or 19%, primarily from a reduction in income from a UK associate reflecting the impact of the Covid-19 outbreak.

Retail Banking and Wealth Management

1Q20 compared with 1Q19 – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			Variance	
		31 Mar	31 Dec	31 Mar	1Q20 vs. 1Q19	
		2020	2019	2019	\$m	%
		\$m	\$m	\$m		
Retail Banking		3,831	3,969	3,778	53	1
– current accounts, savings and deposits		2,274	2,421	2,172	102	5
– personal lending		1,557	1,548	1,606	(49)	(3)
mortgages		423	386	423	–	0
credit cards		675	701	744	(69)	(9)
other personal lending		459	461	439	20	5
Wealth Management		912	1,652	1,895	(983)	(52)
– investment distribution		883	719	851	32	4
– life insurance manufacturing		(206)	676	788	(994)	>(100)
– asset management		235	257	256	(21)	(8)
Other	1	126	207	182	(56)	(31)
Net operating income	2	4,869	5,828	5,855	(986)	(17)
RoTE excluding significant items and UK bank levy (annualised) (%)		1.5		22.1		

1 'Other' includes the distribution and manufacturing (where applicable) of retail and credit protection insurance, disposal gains and other non-product-specific income.

2 'Net operating income' means net operating income before changes in expected credit losses and other credit impairment charges (also referred to as 'Revenue').

Adjusted profit before tax of \$0.4bn was \$1.8bn or 84% lower than in 1Q19. This reflected a reduction in adjusted revenue of \$1.0bn, driven by adverse market impacts in life insurance manufacturing in 1Q20 of \$689m following a weakening of global equity prices and lower interest rates (1Q19: \$183m favourable), while retail banking and investment distribution performance remained resilient in difficult economic conditions. In addition, adjusted ECL increased by \$0.8bn, mainly due to the global impact of Covid-19 on the forward economic outlook. Adjusted operating expenses rose by \$0.1bn as the impact of inflation and continued investment in the business was partly offset by lower discretionary expenditure.

Commercial Banking

1Q20 compared with 1Q19 – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			Variance	
		31 Mar	31 Dec	31 Mar	1Q20 vs. 1Q19	
		2020	2019	2019	\$m	%
		\$m	\$m	\$m		
Global Trade and Receivables Finance		469	431	461	8	2
Credit and Lending		1,382	1,322	1,337	45	3
Global Liquidity and Cash Management		1,333	1,422	1,486	(153)	(10)
Markets products, Insurance and Investments, and Other	1	478	496	574	(96)	(17)
Net operating income	2	3,662	3,671	3,858	(196)	(5)
RoTE excluding significant items and UK bank levy (annualised) (%)		4.1		13.9		

1 Includes revenue from Foreign Exchange, insurance manufacturing and distribution, interest rate management and Global Banking products.

2 'Net operating income' means net operating income before changes in expected credit losses and other credit impairment charges (also referred to as 'Revenue').

Adjusted profit before tax of \$0.6bn was \$1.4bn or 69% lower than in 1Q19. Adjusted revenue fell by \$0.2bn, mainly in GLCM (down \$0.2bn) due to the lower interest rate environment, partly offset by a 6% growth in average balances. Revenue was higher in Credit and Lending, reflecting balance growth from increased customer drawdowns. Adjusted ECL increased by \$1.1bn, reflecting the global impact of Covid-19 on the forward economic outlook, and from a significant charge related to a corporate exposure in Singapore. Adjusted operating expenses were \$0.1bn higher, reflecting increased investment in digital capabilities to improve the client experience, partly offset by lower discretionary expenditure.

Earnings Release – 1Q20

Global Banking and Markets

1Q20 compared with 1Q19 – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			Variance	
		31 Mar 2020	31 Dec 2019	31 Mar 2019	1Q20 vs. 1Q19	
		\$m	\$m	\$m	\$m	%
Global Markets		2,133	1,241	1,712	421	25
– FICC		1,844	1,067	1,340	504	38
Foreign Exchange		1,129	665	684	445	65
Rates		675	274	481	194	40
Credit		40	128	175	(135)	(77)
– Equities		289	174	372	(83)	(22)
Securities Services		510	516	472	38	8
Global Banking		942	982	921	21	2
Global Liquidity and Cash Management		608	670	677	(69)	(10)
Global Trade and Receivables Finance		193	196	205	(12)	(6)
Principal Investments		(235)	45	83	(318)	>(100)
Credit and funding valuation adjustments		(346)	189	46	(392)	>(100)
Other	1	(142)	(120)	(119)	(23)	(19)
Net operating income	2	3,663	3,719	3,997	(334)	(8)
RoTE excluding significant items and UK bank levy (annualised) (%)		6.9		11.3		

1 'Other' in GB&M includes allocated funding costs. Additionally, within the management view of total operating income, notional tax credits are allocated to the businesses to reflect the economic benefit generated by certain activities that are not reflected within operating income, such as notional credits on income earned from tax-exempt investments where the economic benefit of the activity is reflected in tax expense. In order to reflect the total operating income on an IFRS basis, the offset to these tax credits is included within 'Other'.

2 'Net operating income' means net operating income before changes in expected credit losses and other credit impairment charges (also referred to as 'Revenue').

Adjusted profit before tax of \$0.8bn was \$0.8bn or 49% lower than in 1Q19. Adjusted revenue fell by \$0.3bn, mainly from adverse movements in credit and funding valuation adjustments of \$0.4bn and from a reduction in Principal Investments revenue of \$0.3bn, mainly due to valuation losses in 1Q20. Revenue in Global Markets increased by \$0.4bn, primarily due to increased client activity as a result of higher volatility, partly offset by adverse bid-offer adjustments of \$0.3bn. Adjusted ECL were \$0.5bn higher from charges relating to the global impact of Covid-19 on the forward economic outlook, and from charges against a small number of clients. Adjusted operating expenses fell by \$0.1bn, primarily from lower performance-related pay.

Global Private Banking

1Q20 compared with 1Q19 – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			Variance	
		31 Mar 2020	31 Dec 2019	31 Mar 2019	1Q20 vs. 1Q19	
		\$m	\$m	\$m	\$m	%
Investment revenue		255	188	185	70	38
Lending		113	111	97	16	16
Deposit		103	111	121	(18)	(15)
Other		40	44	48	(8)	(17)
Net operating income	1	511	454	451	60	13
RoTE excluding significant items and UK bank levy (annualised) (%)		15.8		10.9		

1 'Net operating income' means net operating income before changes in expected credit losses and other credit impairment charges (also referred to as 'Revenue').

Adjusted profit before tax of \$0.1bn increased by \$23m or 23% compared with 1Q19. Adjusted revenue increased by \$60m, mainly from growth in investment and lending revenue in Asia and in Europe, driven by high volatility in equity markets. This increase was partly offset by higher adjusted ECL from a charge relating to a single client. Adjusted operating expenses were \$10m lower as we invested in the business in Asia, while reducing costs in Switzerland.

In 1Q20, we attracted \$5.3bn of net new money inflows, mainly in Asia and Europe.

Corporate Centre

1Q20 compared with 1Q19 – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended				
		31 Mar	31 Dec	31 Mar	Variance	
		2020	2019	2019	1Q20 vs. 1Q19	
		\$m	\$m	\$m	%	
Central Treasury		699	(19)	269	430	>100
– Balance Sheet Management	1	829	450	608	221	36
– Holdings net interest expenses		(321)	(318)	(338)	17	5
– valuation differences on long-term debt and associated swaps		259	(73)	50	209	>100
– other central treasury		(68)	(78)	(51)	(17)	(33)
Legacy portfolios		(91)	13	(70)	(21)	(30)
Other		14	(80)	(211)	225	>100
Net operating income	2	622	(86)	(12)	634	>100
RoTE excluding significant items and UK bank levy (annualised) (%)		0.9		(6.7)		

1 Balance Sheet Management revenue includes other internal allocations to reflect the economic benefit generated by certain activities, which is not reflected within operating income, such as notional credits on income earned from tax-exempt investments where the economic benefit of the activity is reflected in tax expense. In order to reflect the total operating income on an IFRS basis, the offset to these tax credits is included in 'other central treasury'.

2 'Net operating income' means net operating income before changes in expected credit losses and other credit impairment charges (also referred to as 'Revenue').

Adjusted profit before tax of \$1.1bn was \$0.8bn higher than in 1Q19. Adjusted revenue increased by \$0.6bn, primarily reflecting higher disposal gains in Balance Sheet Management and favourable fair value movements of \$209m relating to the economic hedging of interest rate and exchange rate risk on our long-term debt with associated swaps. Adjusted operating expenses decreased by \$0.3bn due to lower discretionary expenditure. Share of profit from associates and joint ventures fell by \$0.1bn, mainly from a reduction in income from a UK associate due to the impact of the Covid-19 outbreak.

Balance sheet – 31 March 2020 compared with 31 December 2019

At 31 March 2020, our total assets of \$2.9tn were \$203bn higher on a reported basis.

The increase in total assets included growth in derivative assets (up \$128bn), mainly in Europe, reflecting mark-to-market gains on interest rate and foreign exchange derivatives and increased client activity. The increase in derivative assets was consistent with the increase in derivative liabilities as the underlying risk is broadly matched. In addition, cash collateral and settlement accounts, included within other assets, increased by \$73bn due to the seasonal reduction at 31 December 2019, as clients settled trades prior to the year end.

On a constant currency basis, our total assets were \$289bn higher.

Loans and advances to customers as a percentage of customer accounts were 72.2%, an increase of 0.2% compared with 31 December 2019.

Loans and advances to customers

Reported loans and advances to customers of \$1,040bn were \$4bn higher, which included adverse effects of foreign currency translation differences of \$37bn. On a constant currency basis, customer lending increased by \$41bn or 4% as we continued to support new and existing customers during the current economic uncertainty.

In GB&M, lending of \$262bn was \$24bn higher, mainly in the UK, Hong Kong and the US from increased term lending. In CMB, lending of \$351bn was \$16bn higher, mainly in term lending in the US, UK and across Asia. The growth in GB&M and CMB included the effect of customers drawing down on credit facilities and partially redeploying these funds into their customer accounts to increase cash balances during the Covid-19 outbreak. In RBWM, lending of \$379bn was broadly unchanged as growth in mortgages was offset by a reduction in credit card balances.

Customer accounts

Customer accounts of \$1,441bn increased by \$1bn on a reported basis, including adverse foreign currency translation differences of \$45bn. On a constant currency basis, customer accounts increased by \$47bn or 3%. Customer accounts grew in all our global businesses and regions as corporate and personal customers consolidated their funds and redeployed them into cash, and as corporate clients drew down on credit facilities and partially redeployed the funds into their customer accounts, as a result of uncertainty due to the Covid-19 outbreak.

In GB&M, customer accounts of \$307bn were \$26bn higher, reflecting growth in Europe, Asia and the US. In RBWM, balances increased by \$13bn to \$683bn, with growth notably in the UK, Hong Kong and North America. In CMB, balances increased by \$4bn to \$378bn, as increases in Europe of \$13bn and North America of \$2bn were largely offset by a reduction in Hong Kong of \$12bn due to a managed reduction in short-term time deposits and a seasonal outflow.

Risk-weighted assets – 31 March 2020 compared with 31 December 2019

Risk-weighted assets ('RWAs') totalled \$857.1bn at 31 March 2020, a \$13.7bn increase compared with 4Q19. Excluding foreign currency translation differences, RWAs increased by \$40.0bn.

A \$35.8bn increase in RWAs due to asset size movements reflected lending growth in GB&M and CMB, including an increase in the drawdown of facilities as a result of the Covid-19 outbreak, and increased market risk. Changes in asset quality increased RWAs by \$4.3bn.

Net interest margin

	Footnotes	Quarter ended		Full year to	
		31 Mar 2020 \$m	31 Dec 2019 \$m	31 Mar 2019 \$m	31 Dec 2019 \$m
Net interest income		7,612	7,654	7,468	30,462
Average interest-earning assets		1,991,702	1,945,596	1,902,912	1,922,822
		%	%	%	%
Gross interest yield	1	2.55	2.70	2.89	2.84
Less: cost of funds	1	(1.19)	(1.34)	(1.53)	(1.48)
Net interest spread	2	1.36	1.36	1.36	1.36
Net interest margin	3	1.54	1.56	1.59	1.58

- 1 Gross interest yield is the average annualised interest rate earned on average interest-earning assets ('AIEA'). Cost of funds is the average annualised interest cost as a percentage of average interest-bearing liabilities.
- 2 Net interest spread is the difference between the average annualised interest rate earned on AIEA, net of amortised premiums and loan fees, and the average annualised interest rate payable on average interest-bearing funds.
- 3 Net interest margin is net interest income expressed as an annualised percentage of AIEA.

Net interest margin ('NIM') of 1.54% was down 2bps from 4Q19. Market interest rates have fallen during 1Q20 and we expect material downward pressure on NIM in future quarters as we incur the full impact of these reductions. As disclosed in our *Annual Report and Accounts 2019*, a 100bps reduction in market interest rates would reduce projected net interest income by over \$3bn (for more information on net interest income sensitivity, see page 140 of the *Annual Report and Accounts 2019*). This sensitivity does not incorporate projections of changes in balance sheet size, product mix nor product pricing strategies.

Notes

- Income statement comparisons, unless stated otherwise, are between the quarter ended 31 March 2020 and the quarter ended 31 March 2019. Balance sheet comparisons, unless otherwise stated, are between balances at 31 March 2020 and the corresponding balances at 31 December 2019.
- The financial information on which this *Earnings Release* is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with our significant accounting policies as described on pages 240 to 251 of our *Annual Report and Accounts 2019*.
- On 31 March 2020, HSBC announced that, in response to a request from the Bank of England through the UK's Prudential Regulation Authority ('PRA'), the Board had cancelled the fourth interim dividend of \$0.21 per ordinary share, which was scheduled to be paid on 14 April 2020. The Board also announced that until the end of 2020 HSBC will make no quarterly or interim dividend payments or accruals in respect of ordinary shares. As previously disclosed on 18 February 2020 in the *Annual Report and Accounts 2019*, we also plan to suspend share buy-backs in respect of ordinary shares in 2020 and 2021.
- The Board will review our dividend policy at or ahead of the year-end results for 2020, when the economic impact of the pandemic is better understood. We will also take into account the views of our shareholders, the interests of our other stakeholders and other factors, including our financial performance and capital position.

Cautionary statement regarding forward-looking statements

This *Earnings Release* contains certain forward-looking statements with respect to HSBC's financial condition, results of operations and business, including the strategic priorities and 2020 financial, investment and capital targets described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's Directors, officers or employees to third parties, including financial analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as continuing or deepening recessions and fluctuations in employment and creditworthy customers beyond those factored into consensus forecasts (including, without limitation, as a result of the Covid-19 outbreak); the Covid-19 outbreak, which could have adverse impacts on our income due to lower lending and transaction volumes, lower wealth and insurance manufacturing revenue, and lower interest rates globally, as well as, more generally, material adverse impacts on our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Covid-19 outbreak); potential changes in future dividend policy; changes in foreign exchange rates and interest rates, including the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; other unfavourable political or diplomatic developments producing social instability or legal uncertainty, such as the unrest in Hong Kong, which in turn may affect demand for our products and services; climate change, which may cause both idiosyncratic and systemic risks resulting in potential financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries;

adverse changes in the funding status of public or private defined benefit pensions; consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using us as a conduit for illegal activities without our knowledge; the expected discontinuation of certain key lbors and the development of alternative risk-free benchmark rates, which may require us to enhance our capital position and/or position additional capital in specific subsidiaries; and price competition in the market segments we serve;

- changes in government policy and regulation, including the monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of the Covid-19 outbreak); initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's exit from the EU, which may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations; general changes in government policy that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and
- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our targets which may result in our failure to achieve any of the expected benefits of our strategic initiatives; model limitations or failure, which may require us to hold additional capital and incur losses; changes to the judgments, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit rating assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in accounting standards, which may have a material impact on the way we prepare our financial statements; changes in our ability to manage third-party, fraud and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; and changes in skill requirements, ways of working and talent shortages, which may affect our ability to recruit and retain senior management and skilled personnel. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; and our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Top and emerging risks' on pages 76 to 81 of the *Annual Report and Accounts 2019*.

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Earnings Release – 1Q20

Summary consolidated income statement

	Quarter ended		
	31 Mar 2020 \$m	31 Dec 2019 \$m	31 Mar 2019 \$m
Net interest income	7,612	7,654	7,468
Net fee income	3,123	2,938	3,026
Net income from financial instruments held for trading or managed on a fair value basis	3,364	2,354	2,881
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(3,580)	1,160	1,710
Changes in fair value of designated debt and related derivatives ¹	246	(59)	11
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(373)	195	270
Gains less losses from financial investments	312	19	99
Net insurance premium income	2,910	1,589	3,296
Other operating income	404	22	858
Total operating income	14,018	15,872	19,619
Net insurance claims and benefits paid and movement in liabilities to policyholders	(332)	(2,501)	(5,191)
Net operating income before change in expected credit losses and other credit impairment charges²	13,686	13,371	14,428
Change in expected credit losses and other credit impairment charges	(3,026)	(733)	(585)
Net operating income	10,660	12,638	13,843
Total operating expenses excluding goodwill impairment	(7,852)	(9,704)	(8,222)
Goodwill impairment	–	(7,349)	–
Operating profit/(loss)	2,808	(4,415)	5,621
Share of profit in associates and joint ventures	421	518	592
Profit/(loss) before tax	3,229	(3,897)	6,213
Tax expense	(721)	(1,127)	(1,303)
Profit/(loss) after tax	2,508	(5,024)	4,910
Attributable to:			
– ordinary shareholders of the parent company	1,785	(5,509)	4,134
– preference shareholders of the parent company	22	23	22
– other equity holders	441	176	410
– non-controlling interests	260	286	344
Profit/(loss) after tax	2,508	(5,024)	4,910
	\$	\$	\$
Basic earnings per share	0.09	(0.27)	0.21
Diluted earnings per share	0.09	(0.27)	0.21
Dividend per ordinary share (in respect of the period) ³	–	–	0.10
	%	%	%
Return on average ordinary shareholders' equity (annualised)	4.4	(13.3)	10.2
Return on average tangible equity (annualised)	4.2	5.2	10.6
Cost efficiency ratio	57.4	127.5	57.0

¹ The debt instruments, issued for funding purposes, are designated under the fair value option to reduce an accounting mismatch.

² Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

³ Dividends recorded in the financial statements are dividends per ordinary share declared in a period and are not dividends in respect of, or for, that period.

Summary consolidated balance sheet

	At	
	31 Mar 2020 \$m	31 Dec 2019 \$m
Assets		
Cash and balances at central banks	187,386	154,099
Trading assets	215,634	254,271
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	40,650	43,627
Derivatives	371,283	242,995
Loans and advances to banks	84,547	69,203
Loans and advances to customers ¹	1,040,282	1,036,743
Reverse repurchase agreements – non-trading	222,774	240,862
Financial investments	446,668	443,312
Other assets	308,586	230,040
Total assets	2,917,810	2,715,152
Liabilities and equity		
Liabilities		
Deposits by banks	75,504	59,022
Customer accounts	1,440,529	1,439,115
Repurchase agreements – non-trading	150,243	140,344
Trading liabilities	74,410	83,170
Financial liabilities designated at fair value	155,184	164,466
Derivatives	356,616	239,497
Debt securities in issue	99,410	104,555
Liabilities under insurance contracts	94,979	97,439
Other liabilities	272,664	194,876
Total liabilities	2,719,539	2,522,484
Equity		
Total shareholders' equity	189,771	183,955
Non-controlling interests	8,500	8,713
Total equity	198,271	192,668
Total liabilities and equity	2,917,810	2,715,152

¹ Net of impairment allowances.

Earnings Release – 1Q20

Credit risk

A summary of our current policies and practices for the management of credit risk is set out in 'Credit risk management' on page 84 of the *Annual Report and Accounts 2019*.

Summary of credit risk

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 31 March 2020

	Gross carrying/nominal amount ¹				Allowance for ECL					ECL coverage %					
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI ² \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI ² \$m	Total \$m	Stage1 %	Stage2 %	Stage3 %	POCI ² %	Total %
Loans and advances to customers	934,252	101,714	14,401	300	1,050,667	(1,498)	(3,078)	(5,713)	(96)	(10,385)	0.2	3.0	39.7	32.0	1.0
Personal	395,313	16,860	4,839	–	417,012	(708)	(1,697)	(1,274)	–	(3,679)	0.2	10.1	26.3	–	0.9
– Europe	175,659	7,592	2,319	–	185,570	(132)	(820)	(659)	–	(1,611)	0.1	10.8	28.4	–	0.9
– of which: UK	143,239	6,111	1,513	–	150,863	(110)	(792)	(406)	–	(1,308)	0.1	13.0	26.8	–	0.9
– of which: UK first lien mortgages	128,177	1,802	1,036	–	131,015	(14)	(17)	(111)	–	(142)	–	0.9	10.7	–	0.1
– of which: UK other personal lending	15,062	4,309	477	–	19,848	(96)	(775)	(295)	–	(1,166)	0.6	18.0	61.8	–	5.9
– Asia	169,782	5,764	751	–	176,297	(258)	(359)	(177)	–	(794)	0.2	6.2	23.6	–	0.5
– of which: Hong Kong	117,050	2,665	248	–	119,963	(108)	(224)	(51)	–	(383)	0.1	8.4	20.6	–	0.3
– of which: Hong Kong first lien mortgages	86,745	1,002	42	–	87,789	(1)	–	–	–	(1)	–	–	–	–	–
– of which: Hong Kong other personal lending	30,305	1,663	206	–	32,174	(107)	(224)	(51)	–	(382)	0.4	13.5	24.8	–	1.2
– MENA	5,469	353	277	–	6,099	(60)	(86)	(176)	–	(322)	1.1	24.4	63.5	–	5.3
– North America	38,996	2,316	1,271	–	42,583	(122)	(174)	(150)	–	(446)	0.3	7.5	11.8	–	1.0
– Latin America	5,407	835	221	–	6,463	(136)	(258)	(112)	–	(506)	2.5	30.9	50.7	–	7.8
Corporate and commercial	469,067	79,770	9,267	299	558,403	(742)	(1,334)	(4,321)	(95)	(6,492)	0.2	1.7	46.6	31.8	1.2
– Europe	152,308	18,765	4,563	120	175,756	(274)	(513)	(1,508)	(43)	(2,338)	0.2	2.7	33.0	35.8	1.3
– of which: UK	107,267	14,144	3,263	73	124,747	(226)	(447)	(954)	(32)	(1,659)	0.2	3.2	29.2	43.8	1.3
– Asia	232,818	40,215	2,081	132	275,246	(248)	(330)	(1,422)	(35)	(2,035)	0.1	0.8	68.3	26.5	0.7
– of which: Hong Kong	147,390	24,993	616	49	173,048	(122)	(193)	(408)	(25)	(748)	0.1	0.8	66.2	51.0	0.4
– MENA	17,272	5,658	1,853	18	24,801	(61)	(164)	(1,048)	(12)	(1,285)	0.4	2.9	56.6	66.7	5.2
– North America	55,380	13,737	483	–	69,600	(60)	(266)	(172)	–	(498)	0.1	1.9	35.6	–	0.7
– Latin America	11,289	1,395	287	29	13,000	(99)	(61)	(171)	(5)	(336)	0.9	4.4	59.6	17.2	2.6
Non-bank financial institutions	69,872	5,084	295	1	75,252	(48)	(47)	(118)	(1)	(214)	0.1	0.9	40.0	100.0	0.3
– Europe	27,709	1,014	227	1	28,951	(16)	(16)	(75)	(1)	(108)	0.1	1.6	33.0	100.0	0.4
– of which: UK	20,184	874	105	–	21,163	(12)	(14)	(5)	–	(31)	0.1	1.6	4.8	–	0.1
– Asia	29,178	3,669	18	–	32,865	(24)	(26)	(18)	–	(68)	0.1	0.7	100.0	–	0.2
– of which: Hong Kong	17,599	3,010	18	–	20,627	(9)	(20)	(18)	–	(47)	0.1	0.7	100.0	–	0.2
– MENA	284	51	34	–	369	–	(1)	(12)	–	(13)	–	2.0	35.3	–	3.5
– North America	11,314	313	6	–	11,633	(4)	(3)	(5)	–	(12)	–	1.0	83.3	–	0.1
– Latin America	1,387	37	10	–	1,434	(4)	(1)	(8)	–	(13)	0.3	2.7	80.0	–	0.9
Loans and advances to banks	84,208	353	–	–	84,561	(13)	(1)	–	–	(14)	–	0.3	–	–	–
Other financial assets at amortised cost	701,322	3,078	149	1	704,550	(48)	(74)	(47)	–	(169)	–	2.4	31.5	–	–
Loan and other credit-related commitments	586,262	27,208	831	1	614,302	(152)	(220)	(112)	–	(484)	–	0.8	13.5	–	0.1
– personal	223,368	1,712	191	–	225,271	(13)	(1)	–	–	(14)	–	0.1	–	–	–
– corporate and commercial	222,187	24,443	637	1	247,268	(131)	(218)	(112)	–	(461)	0.1	0.9	17.6	–	0.2
– financial	140,707	1,053	3	–	141,763	(8)	(1)	–	–	(9)	–	0.1	–	–	–
Financial guarantees	16,478	2,651	148	4	19,281	(19)	(33)	(6)	–	(58)	0.1	1.2	4.1	–	0.3
– personal	769	1	1	–	771	–	–	–	–	–	–	–	–	–	–
– corporate and commercial	11,597	2,344	142	4	14,087	(17)	(32)	(5)	–	(54)	0.1	1.4	3.5	–	0.4
– financial	4,112	306	5	–	4,423	(2)	(1)	(1)	–	(4)	–	0.3	20.0	–	0.1
At 31 Mar 2020	2,322,522	135,004	15,529	306	2,473,361	(1,730)	(3,406)	(5,878)	(96)	(11,110)	0.1	2.5	37.9	31.4	0.4

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 31 December 2019

	Gross carrying/nominal amount ¹					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI ²	Total	Stage 1	Stage 2	Stage 3	POCI ²	Total	Stage 1	Stage 2	Stage 3	POCI ²	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers	951,583	80,182	13,378	332	1,045,475	(1,297)	(2,284)	(5,052)	(99)	(8,732)	0.1	2.8	37.8	29.8	0.8
Personal	413,669	15,751	4,851	—	434,271	(583)	(1,336)	(1,215)	—	(3,134)	0.1	8.5	25.0	—	0.7
– Europe	186,561	6,854	2,335	—	195,750	(112)	(538)	(578)	—	(1,228)	0.1	7.8	24.8	—	0.6
– of which: UK	153,313	5,455	1,612	—	160,380	(104)	(513)	(370)	—	(987)	0.1	9.4	23.0	—	0.6
– of which: UK first lien mortgages	134,914	1,890	1,181	—	137,985	(16)	(19)	(124)	—	(159)	—	1.0	10.5	—	0.1
– of which: UK other personal lending	18,399	3,565	431	—	22,395	(88)	(494)	(246)	—	(828)	0.5	13.9	57.1	—	3.7
– Asia	173,523	5,855	717	—	180,095	(223)	(339)	(170)	—	(732)	0.1	5.8	23.7	—	0.4
– of which: Hong Kong	117,013	2,751	189	—	119,953	(90)	(220)	(44)	—	(354)	0.1	8.0	23.3	—	0.3
– of which: Hong Kong first lien mortgages	85,732	1,116	43	—	86,891	(1)	—	—	—	(1)	—	—	—	—	—
– of which: Hong Kong other personal lending	31,281	1,635	146	—	33,062	(89)	(220)	(44)	—	(353)	0.3	13.5	30.1	—	1.1
– MENA	5,671	247	299	—	6,217	(50)	(58)	(189)	—	(297)	0.9	23.5	63.2	—	4.8
– North America	41,148	1,930	1,238	—	44,316	(56)	(119)	(141)	—	(316)	0.1	6.2	11.4	—	0.7
– Latin America	6,766	865	262	—	7,893	(142)	(282)	(137)	—	(561)	2.1	32.6	52.3	—	7.1
Corporate and commercial	472,253	59,599	8,315	332	540,499	(672)	(920)	(3,747)	(99)	(5,438)	0.1	1.5	45.1	29.8	1.0
– Europe	151,378	19,191	4,517	129	175,215	(288)	(447)	(1,524)	(45)	(2,304)	0.2	2.3	33.7	34.9	1.3
– of which: UK	108,052	15,346	3,283	79	126,760	(234)	(379)	(984)	(32)	(1,629)	0.2	2.5	30.0	40.5	1.3
– Asia	237,553	28,607	1,401	148	267,709	(208)	(237)	(966)	(38)	(1,449)	0.1	0.8	69.0	25.7	0.5
– of which: Hong Kong	147,162	20,515	655	48	168,380	(111)	(156)	(455)	(28)	(750)	0.1	0.8	69.5	58.3	0.4
– MENA	18,476	3,302	1,651	18	23,447	(55)	(86)	(934)	(12)	(1,087)	0.3	2.6	56.6	66.7	4.6
– North America	51,953	7,274	453	—	59,680	(43)	(94)	(137)	—	(274)	0.1	1.3	30.2	—	0.5
– Latin America	12,893	1,225	293	37	14,448	(78)	(56)	(186)	(4)	(324)	0.6	4.6	63.5	10.8	2.2
Non-bank financial institutions	65,661	4,832	212	—	70,705	(42)	(28)	(90)	—	(160)	0.1	0.6	42.5	—	0.2
– Europe	25,345	1,000	153	—	26,498	(19)	(9)	(53)	—	(81)	0.1	0.9	34.6	—	0.3
– of which: UK	17,613	874	58	—	18,545	(14)	(7)	(5)	—	(26)	0.1	0.8	8.6	—	0.1
– Asia	28,530	3,607	19	—	32,156	(17)	(16)	(19)	—	(52)	0.1	0.4	100.0	—	0.2
– of which: Hong Kong	16,589	3,168	19	—	19,776	(6)	(15)	(19)	—	(40)	—	0.5	100.0	—	0.2
– MENA	254	—	34	—	288	—	—	(13)	—	(13)	—	—	38.2	—	4.5
– North America	9,852	220	6	—	10,078	(3)	(3)	(5)	—	(11)	—	1.4	83.3	—	0.1
– Latin America	1,680	5	—	—	1,685	(3)	—	—	—	(3)	0.2	—	—	—	0.2
Loans and advances to banks	67,769	1,450	—	—	69,219	(14)	(2)	—	—	(16)	—	0.1	—	—	—
Other financial assets at amortised cost	613,200	1,827	151	1	615,179	(38)	(38)	(42)	—	(118)	—	2.1	27.8	—	—
Loan and other credit-related commitments	577,631	21,618	771	9	600,029	(137)	(133)	(59)	—	(329)	—	0.6	7.7	—	0.1
– personal	221,490	1,630	194	—	223,314	(13)	(2)	—	—	(15)	—	0.1	—	—	—
– corporate and commercial	259,138	18,804	573	9	278,524	(118)	(130)	(59)	—	(307)	—	0.7	10.3	—	0.1
– financial	97,003	1,184	4	—	98,191	(6)	(1)	—	—	(7)	—	0.1	—	—	—
Financial guarantees	17,684	2,340	186	4	20,214	(16)	(22)	(10)	—	(48)	0.1	0.9	5.4	—	0.2
– personal	802	1	1	—	804	(1)	—	—	—	(1)	0.1	—	—	—	0.1
– corporate and commercial	12,540	2,076	184	4	14,804	(14)	(21)	(9)	—	(44)	0.1	1.0	4.9	—	0.3
– financial	4,342	263	1	—	4,606	(1)	(1)	(1)	—	(3)	—	0.4	100.0	—	0.1
At 31 Dec 2019	2,227,867	107,417	14,486	346	2,350,116	(1,502)	(2,479)	(5,163)	(99)	(9,243)	0.1	2.3	35.6	28.6	0.4

1 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.

2 Purchased or originated credit-impaired ('POCI').

Covid-19

Methodology

Our methodology in relation to the adoption and generation of economic scenarios is described on page 92 of the *Annual Report and Accounts 2019*. We continue to follow this methodology in generating our consensus probability-weighted ECL, with alternative or additional scenarios and management adjustments supplementing this ECL where, in management's opinion, the consensus forecast does not fully capture the extent of recent credit or economic events.

Description of economic scenarios

The economic assumptions presented in this section have been formed internally specifically for the purpose of calculating ECL.

Economic scenarios incorporating the economic impacts of Covid-19

The outbreak of Covid-19 has had, and continues to have, a material impact on businesses around the world and the economic environments in which the Group operates. In light of this, management has noted a significant broadening of the distribution of economic forecasts. Given the rapidly changing economic impact, including the initiation of substantial government and central bank relief actions and support measures in many countries, management has made various judgements to best reflect the range of outcomes at the reporting date. The Group has formed three internally generated economic scenarios (mild, moderate and severe) based on the duration and severity of economic impacts across various markets, fiscal and policy responses and oil price volatility. These Covid-19 scenarios have been generated for each of the Group's key markets and have been probability weighted in the calculation of ECL with greater weighting to the mild and moderate scenarios.

The overall impact of the Covid-19 scenarios and other related judgemental management adjustments on the ECL is shown below:

Impact of Covid-19 on allowance for ECL

	At 31 March 2020			At 31 Dec 2019
	Consensus probability-weighted ECL ²	Covid-19 scenarios and other management adjustments ²		Allowance for ECL
		\$m	\$m	
Retail	2,961	630	3,591	3,118
Wholesale	6,396	882	7,278	5,981
Other ¹	241	–	241	144
Total	9,598	1,512	11,110	9,243

1 Includes Insurance and other central Group portfolios.

2 The consensus probability-weighted ECL includes adjustments related to the 4Q19 UK alternative Downside scenario of \$311m and Asia-Pacific alternative Downside scenario of \$180m. The 1Q20 incremental Covid-19 scenario impact is shown net of the removal of these adjustments.

The three scenarios used for the purpose of calculating ECL at 31 March 2020 replaced the UK alternative Downside and Asia-Pacific alternative Downside scenarios used at 31 December 2019.

These three scenarios are based on 31 March 2020 data and differentiated by the severity and duration of the associated economic impact of Covid-19, with a greater number of infections coinciding with longer periods of restrictions in activity and greater economic impact. Monetary and fiscal stimulus is assumed in all three scenarios. The three scenarios are:

- **Mild:** This scenario models brief recessions in most of our major markets followed by an extended period of low growth. Temporary restrictions in activity lead to a rise in unemployment, a short-lived contraction in equity markets and a slowdown in house price growth. Hong Kong GDP growth is expected to have reached a low point in 1Q20, with positive GDP growth expected by 3Q20, while UK and US GDP growth are expected to reach a low point in 2Q20, with positive GDP growth expected by 1Q21.
- **Moderate:** This scenario models a deeper and longer recession across our major markets. There is a strong rise in unemployment across some of our major markets and significant contractions in equity markets and house prices in 2020. Hong Kong GDP growth is expected to have reached a low point in 1Q20, with positive GDP growth expected by 4Q20, while UK and US GDP growth are expected to reach a low point in 2Q20 and 3Q20, respectively, with positive GDP growth expected by 1Q21.
- **Severe:** The severe scenario models a deep and more prolonged recession, with a slow recovery across our major markets. Restrictions in activity and a more prolonged recession lead to a sharp rise in unemployment across our major markets. House prices and equity markets undergo very significant contractions in 2020. Hong Kong GDP growth is expected to have reached a low point in 2Q20, with positive GDP growth expected by 2Q21, while UK and US GDP growth is expected to reach a low point in 2Q20 and 3Q20, respectively, with positive GDP growth expected by 2Q21.

The table below shows the range of worst points in annualised economic indicators across the three scenarios within individual quarters in 2020 to 2021:

Forecast range of quarterly worst point of economic measures for key markets in 2020 to 2021

	Hong Kong		UK		US	
	1Q20 ¹	Worst point	1Q20 ¹	Worst point	1Q20 ¹	Worst point
	%	%	%	%	%	%
GDP growth rate (%) – low point	(7.5)	(7.5)–(8.6)	0.6	(13.8)–(14.9)	1.2	(8.9)–(11.8)
Unemployment (%) – high point	3.5	3.5–5.7	4.0	6.0–8.5	3.6	11.3–14.2
House price growth annualised (%) – low point	(6.2)	(6.2)–(26.3)	1.9	(5.6)–(15.7)	4.3	(2.9)–(10.1)

1 Based on 4Q19 estimates.

The ECL impact of economic scenarios, including for the UK and the US, were performed in part through management adjustments. Further, additional judgemental management adjustments have been applied in certain markets and portfolios at 31 March 2020 where management has considered that the impact of applying the Covid-19 scenarios in the calculation of ECL does not fully capture the extent of recent credit events.

The ECL impact of the scenarios and judgemental management adjustments are highly sensitive to movements in economic forecasts, including the efficacy of government support measures. If the ECL were estimated solely on the basis of the severe scenario at 31 March 2020, which assumes a slower economic recovery, the allowance for ECL would increase by approximately \$4bn.

Capital adequacy

Capital adequacy metrics

	At	
	31 Mar 2020	31 Dec 2019
Risk-weighted assets ('RWAs') (\$bn)		
Credit risk (excluding counterparty credit risk)	685.6	676.6
Counterparty credit risk	47.5	44.1
Market risk	34.8	29.9
Operational risk	89.2	92.8
Total risk-weighted assets	857.1	843.4
Capital on a transitional basis (\$bn)		
Common equity tier 1 ('CET1') capital	125.2	124.0
Tier 1 capital	149.2	148.4
Total capital	174.0	172.2
Capital ratios on a transitional basis (%)		
CET1	14.6	14.7
Tier 1	17.4	17.6
Total capital	20.3	20.4
Capital on an end point basis (\$bn)		
Common equity tier 1 ('CET1') capital	125.2	124.0
Tier 1 capital	146.1	144.8
Total capital	161.1	159.3
Capital ratios on an end point basis (%)		
CET1	14.6	14.7
Tier 1	17.0	17.2
Total capital	18.8	18.9
Liquidity coverage ratio ('LCR')		
Total high-quality liquid assets (\$bn)	617.2	601.4
Total net cash outflow (\$bn)	395.0	400.5
LCR ratio (%)	156.3	150.2

Capital figures and ratios in the table above are calculated in accordance with the revisions to the Capital Requirements Regulation and Directive, as implemented ('CRR II'). The table presents them under the transitional arrangements in CRR II for capital instruments and after their expiry, known as the end point. The end point figures in the table above take into account the regulatory transitional arrangements in CRR II for IFRS 9, which are more fully described below.

Regulatory transitional arrangements for IFRS 9 'Financial Instruments'

We have adopted the regulatory transitional arrangements in CRR II for IFRS 9, including paragraph four of article 473a. Our capital and ratios are presented under these arrangements throughout the table above. Without their application, our CET1 ratio would be 14.5%.

The IFRS 9 regulatory transitional arrangements allow banks to add back to their capital base a proportion (currently 70%) of the impact that IFRS 9 has upon their loan loss allowances during the first five years of use. The impact is defined as:

- the increase in loan loss allowances on day one of IFRS 9 adoption; and
- any subsequent increase in expected credit losses ('ECL') in the non-credit-impaired book thereafter.

Any add-back must be tax affected and accompanied by a recalculation of capital deduction thresholds, exposure and RWAs. The impact is calculated separately for portfolios using the standardised ('STD') and internal ratings based ('IRB') approaches. For IRB portfolios, there is no add-back to capital unless loan loss allowances exceed regulatory 12-month expected losses.

In the current period, the add-back to the capital base amounted to \$0.8bn under the STD approach with a tax impact of \$0.2bn and a capital deduction threshold impact of \$0.1bn. We made no add-back for portfolios on the IRB approach as our loan loss allowances remained lower than regulatory expected losses.

Capital

At 31 March 2020, our CET1 ratio was 14.6%, down from 14.7% at 31 December 2019.

CET1 capital increased during the quarter by \$1.2bn, mainly as a result of:

- the cancellation of the 4Q19 unpaid dividend of \$3.4bn at the PRA's request;
- capital generation of \$1.9bn through profits;
- a \$0.9bn increase in FVOCI reserves; and
- a fall in the deduction for excess expected loss of \$0.7bn.

These increases were partly offset by:

- foreign currency translation differences of \$4.7bn; and
- a \$0.5bn increase in the deduction for prudent valuation adjustment.

Earnings Release – 1Q20

These movements reflected the impact of the Covid-19 outbreak on our CET1 ratio at 31 March 2020 in a number of ways. The cancellation of the unpaid dividend for 4Q19 at the PRA's request strengthened our CET1 ratio by 0.4%. This, and our decision not to pay an interim dividend on ordinary shares, have offset the negative impacts of lower profitability, FX movements and the rise in the deduction for prudent valuation adjustment.

The Group's countercyclical capital buffer requirement fell by \$3.3bn, mainly as a result of the decision of the Bank of England's Financial Policy Committee and the Hong Kong Monetary Authority to reduce their requirements with immediate effect during March to mitigate the impacts of the outbreak.

Leverage

Leverage ratio

Ref		Footnotes	At	
			31 Mar 2020 \$bn	31 Dec 2019 \$bn
20	Tier 1 capital		146.1	144.8
21	Total leverage ratio exposure		2,782.7	2,726.5
			%	%
22	Leverage ratio		5.3	5.3
EU-23	Choice of transitional arrangements for the definition of the capital measure		Fully phased-in	Fully phased-in
	UK leverage ratio exposure – quarterly average	1	2,585.2	2,535.4
			%	%
	UK leverage ratio – quarterly average	1	5.6	5.8
	UK leverage ratio – quarter end	1	5.7	5.7

1 UK leverage ratio denotes the Group's leverage ratio calculated under the PRA's UK leverage framework and excludes qualifying central bank balances from the calculation of exposure.

Our leverage ratio calculated in accordance with the Capital Requirements Regulation in force was 5.3% at 31 March 2020, unchanged from 31 December 2019. The rise in total leverage ratio exposure was primarily due to an increase in settlement accounts and customer lending.

At 31 March 2020, our UK minimum leverage ratio requirement of 3.25% was supplemented by an additional leverage ratio buffer of 0.7% and a countercyclical leverage ratio buffer of 0.1%. These additional buffers translated into capital values of \$17.9bn and \$1.9bn respectively. We exceeded these leverage requirements.

Risk-weighted assets

RWAs by global business

	RBWM \$bn	CMB \$bn	GB&M \$bn	GPB \$bn	Corporate Centre \$bn	Total \$bn
Credit risk	102.2	291.8	165.3	11.2	115.1	685.6
Counterparty credit risk	–	–	45.9	0.2	1.4	47.5
Market risk	–	–	28.3	–	6.5	34.8
Operational risk	29.1	25.0	29.6	2.7	2.8	89.2
At 31 Mar 2020	131.3	316.8	269.1	14.1	125.8	857.1
Credit risk	103.8	290.8	161.1	11.0	109.9	676.6
Counterparty credit risk	–	–	42.7	0.2	1.2	44.1
Market risk	–	–	23.6	–	6.3	29.9
Operational risk	30.2	25.9	30.8	2.8	3.1	92.8
At 31 Dec 2019	134.0	316.7	258.2	14.0	120.5	843.4

RWA movement by global business by key driver

	Credit risk, counterparty credit risk and operational risk						Total RWAs \$bn
	RBWM \$bn	CMB \$bn	GB&M \$bn	GPB \$bn	Corporate Centre \$bn	Market risk \$bn	
RWAs at 1 Jan 2020	134.0	316.7	234.6	14.0	114.2	29.9	843.4
Asset size	0.7	8.5	15.0	0.3	6.7	4.6	35.8
Asset quality	0.3	2.5	2.1	–	(0.6)	–	4.3
Model updates	0.4	0.1	(0.6)	–	–	–	(0.1)
Methodology and policy	0.6	1.0	(3.3)	–	1.4	0.3	–
Foreign exchange movements	(4.7)	(12.0)	(7.0)	(0.2)	(2.4)	–	(26.3)
Total RWA movement	(2.7)	0.1	6.2	0.1	5.1	4.9	13.7
RWAs at 31 Mar 2020	131.3	316.8	240.8	14.1	119.3	34.8	857.1

Risk-weighted assets ('RWAs') rose by \$13.7bn during 1Q20, including a reduction of \$26.3bn due to foreign currency translation differences. The \$40.0bn increase (excluding foreign currency translation differences) comprised the movements described by the following comments.

Asset size

The \$35.8bn increase in RWAs due to asset size movements was predominantly due to lending growth in GB&M and CMB, with a further \$4.6bn increase in market risk RWAs.

GB&M RWAs rose by \$15bn, of which \$10.0bn came from lending growth – mostly in Europe, Asia and North America. Facility drawdowns within this increase included the effects of the Covid-19 outbreak. Lending growth was partly offset by active portfolio management measures of \$1.0bn in the same regions. GB&M counterparty credit risk RWAs rose by \$6.6bn as a result of mark-to-market movements and increased derivative trading volumes. This rise was partly offset by a \$0.6bn reduction due to trade actions.

In CMB, an RWA increase of \$9.9bn was mostly the result of lending growth in North America, Asia and Europe. Facility drawdowns within this increase included the effects of the outbreak. Lending growth was partly offset by a \$1.4bn reduction of RWAs in Europe and MENA through management actions.

The \$6.7bn increase in Corporate Centre RWAs was mostly in North America, Asia and MENA, and comprised increases mainly in government placements and money market deposits.

Market risk RWAs increased by \$4.6bn. The majority of the increase was due to higher sovereign exposures and recent market volatility in Asia and Europe.

Asset quality

Changes in asset quality led to an RWA increase of \$4.3bn, mainly in CMB and GB&M. These changes included credit rating downgrades caused by the Covid-19 outbreak, mostly in North America and Asia. Offsetting this, favourable portfolio mix changes in Europe reduced GB&M RWAs by \$1.1bn, and the \$0.6bn drop in Corporate Centre RWAs largely resulted from an improvement in portfolio quality in North America.

Model updates

The \$0.1bn RWA decrease due to model updates mainly comprised a \$0.6bn decrease in GB&M, mostly due to global corporate model updates, and an increase of \$0.4bn in RBWM, following an adjustment to Hong Kong credit models.

Methodology and policy

Management initiatives in GB&M and CMB reduced RWAs by \$6.6bn. These included risk parameter refinements, improved collateral linkage and a change in the treatment of undrawn private equity fund commitments.

With effect from 1 January 2020, we implemented two changes in approach to our wholesale credit risk exposures. Application of the new securitisation framework to the pre-existing book caused RWAs to rise by \$3.4bn, mainly in Corporate Centre and GB&M. Following the conclusion of discussions with the PRA, we also transferred several UK corporate portfolios onto a Foundation IRB approach – causing a \$3bn rise in RWAs in CMB and GB&M.

Earnings Release – 1Q20

Summary information – global businesses

Analysis of significant items by global business is presented below.

Reconciliation of reported results to adjusted results – global businesses

	Quarter ended 31 Mar 2020					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue						
Reported	4,862	3,662	3,851	511	800	13,686
Significant items	7	–	(188)	–	(178)	(359)
– disposals, acquisitions and investment in new businesses	7	–	–	–	–	7
– fair value movement on financial instruments	–	–	(188)	–	(169)	(357)
– restructuring and other related costs	–	–	–	–	(9)	(9)
Adjusted	4,869	3,662	3,663	511	622	13,327
ECL						
Reported	(1,059)	(1,374)	(543)	(49)	(1)	(3,026)
Adjusted	(1,059)	(1,374)	(543)	(49)	(1)	(3,026)
Operating expenses						
Reported	(3,456)	(1,679)	(2,313)	(342)	(62)	(7,852)
Significant items	7	2	16	1	146	172
– customer redress programmes	1	–	–	–	–	1
– restructuring and other related costs	6	2	14	1	147	170
– settlements and provisions in connection with legal and regulatory matters	–	–	2	–	(1)	1
Adjusted	(3,449)	(1,677)	(2,297)	(341)	84	(7,680)
Share of profit in associates and joint ventures						
Reported	(4)	–	–	–	425	421
Adjusted	(4)	–	–	–	425	421
Profit before tax						
Reported	343	609	995	120	1,162	3,229
Significant items	14	2	(172)	1	(32)	(187)
– revenue	7	–	(188)	–	(178)	(359)
– operating expenses	7	2	16	1	146	172
Adjusted	357	611	823	121	1,130	3,042
Loans and advances to customers (net)						
Reported	378,537	350,507	262,225	47,037	1,976	1,040,282
Adjusted	378,537	350,507	262,225	47,037	1,976	1,040,282
Customer accounts						
Reported	683,033	377,639	307,458	64,677	7,722	1,440,529
Adjusted	683,033	377,639	307,458	64,677	7,722	1,440,529

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Fair value movements on financial instruments include non-qualifying hedges and debt valuation adjustments on derivatives.

Reconciliation of reported results to adjusted results – global businesses (continued)

		Quarter ended 31 Dec 2019					
		Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
Footnotes		\$m	\$m	\$m	\$m	\$m	\$m
Revenue							
Reported		5,758	3,687	3,697	452	(223)	13,371
Currency translation		(24)	(13)	(21)	2	(10)	(66)
Significant items		94	(3)	43	–	147	281
– customer redress programmes		47	(2)	–	–	–	45
– disposals, acquisitions and investment in new businesses		48	–	–	–	7	55
– fair value movements on financial instruments		–	–	43	–	133	176
– currency translation on significant items		(1)	(1)	–	–	7	5
Adjusted		5,828	3,671	3,719	454	(86)	13,586
ECL							
Reported		(401)	(277)	(32)	3	(26)	(733)
Currency translation		8	2	(1)	–	2	11
Adjusted		(393)	(275)	(33)	3	(24)	(722)
Operating expenses							
Reported		(3,824)	(4,740)	(6,484)	(811)	(1,194)	(17,053)
Currency translation		25	12	14	2	1	54
Significant items		273	2,978	4,056	438	211	7,956
– costs of structural reform		–	–	5	–	27	32
– customer redress programmes		181	2	–	–	–	183
– goodwill impairment		–	2,956	3,962	431	–	7,349
– restructuring and other related costs		98	24	88	12	178	400
– settlements and provisions in connection with legal and regulatory matters		–	–	2	(4)	7	5
– currency translation on significant items		(6)	(4)	(1)	(1)	(1)	(13)
Adjusted		(3,526)	(1,750)	(2,414)	(371)	(982)	(9,043)
Share of profit in associates and joint ventures							
Reported		4	–	–	–	514	518
Currency translation		1	–	–	–	3	4
Adjusted		5	–	–	–	517	522
Profit/(loss) before tax							
Reported		1,537	(1,330)	(2,819)	(356)	(929)	(3,897)
Currency translation		10	1	(8)	4	(4)	3
Significant items		367	2,975	4,099	438	358	8,237
– revenue		94	(3)	43	–	147	281
– operating expenses		273	2,978	4,056	438	211	7,956
Adjusted		1,914	1,646	1,272	86	(575)	4,343
Loans and advances to customers (net)							
Reported		395,393	346,060	246,266	47,593	1,431	1,036,743
Currency translation		(16,403)	(11,995)	(7,764)	(782)	(68)	(37,012)
Adjusted		378,990	334,065	238,502	46,811	1,363	999,731
Customer accounts							
Reported		689,283	386,522	292,284	62,943	8,083	1,439,115
Currency translation		(19,667)	(12,403)	(11,205)	(1,404)	(774)	(45,453)
Adjusted		669,616	374,119	281,079	61,539	7,309	1,393,662

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Fair value movements on financial instruments include non-qualifying hedges and debt valuation adjustments on derivatives.

3 Comprises costs associated with preparations for the UK's exit from the European Union.

Earnings Release – 1Q20

Reconciliation of reported results to adjusted results – global businesses (continued)

	Quarter ended 31 Mar 2019						Total \$m
	Footnotes	Retail Banking and Wealth Management \$m	Commercial Banking \$m	Global Banking and Markets \$m	Global Private Banking \$m	Corporate Centre \$m	
Revenue							
Reported	1	5,971	3,921	4,015	450	71	14,428
Currency translation		(116)	(63)	(70)	1	(9)	(257)
Significant items		–	–	52	–	(74)	(22)
– fair value movement on financial instruments	2	–	–	53	–	(75)	(22)
– currency translation on significant items		–	–	(1)	–	1	–
Adjusted		5,855	3,858	3,997	451	(12)	14,149
ECL							
Reported		(302)	(247)	(40)	(2)	6	(585)
Currency translation		8	7	1	–	–	16
Adjusted		(294)	(240)	(39)	(2)	6	(569)
Operating expenses							
Reported		(3,508)	(1,662)	(2,440)	(352)	(260)	(8,222)
Currency translation		74	32	43	(1)	8	156
Significant items		56	4	50	2	43	155
– costs of structural reform	3	–	2	13	–	38	53
– customer redress programmes		56	–	–	–	–	56
– restructuring and other related costs		1	2	38	2	7	50
– currency translation on significant items		(1)	–	(1)	–	(2)	(4)
Adjusted		(3,378)	(1,626)	(2,347)	(351)	(209)	(7,911)
Share of profit in associates and joint ventures							
Reported		13	–	–	–	579	592
Currency translation		(1)	–	–	–	(14)	(15)
Adjusted		12	–	–	–	565	577
Profit before tax							
Reported		2,174	2,012	1,535	96	396	6,213
Currency translation		(35)	(24)	(26)	–	(15)	(100)
Significant items		56	4	102	2	(31)	133
– revenue		–	–	52	–	(74)	(22)
– operating expenses		56	4	50	2	43	155
Adjusted		2,195	1,992	1,611	98	350	6,246
Loans and advances to customers (net)							
Reported		369,178	339,729	252,180	42,497	1,695	1,005,279
Currency translation		(12,158)	(9,682)	(7,013)	(221)	(59)	(29,133)
Adjusted		357,020	330,047	245,167	42,276	1,636	976,146
Customer accounts							
Reported		653,969	349,352	281,462	64,489	7,239	1,356,511
Currency translation		(13,483)	(8,909)	(9,767)	(807)	(660)	(33,626)
Adjusted		640,486	340,443	271,695	63,682	6,579	1,322,885

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Fair value movements on financial instruments include non-qualifying hedges and debt valuation adjustments on derivatives.

3 Comprises costs associated with preparations for the UK's exit from the European Union.

Dividend on preference shares

A quarterly dividend of \$15.50 per 6.20% non-cumulative US dollar preference share, Series A ('Series A dollar preference share'), (equivalent to a dividend of \$0.3875 per Series A American Depositary Share, each of which represents one-fortieth of a Series A dollar preference share), and £0.01 per Series A sterling preference share is payable on 15 March, 15 June, 15 September and 15 December 2020 for the quarter then ended at the sole and absolute discretion of the Board of HSBC Holdings plc. Accordingly, the Board of HSBC Holdings plc has approved a quarterly dividend to be payable on 15 June 2020 to holders of record on 29 May 2020.

For and on behalf of
HSBC Holdings plc

Aileen Taylor
Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement are: Mark Tucker*, Noel Quinn, Ewen Stevenson, Laura Cha[†], Henri de Castries[†], Irene Lee[†], José Antonio Meade Kuribreña[†], Heidi Miller[†], David Nish[†], Jackson Tai[†] and Pauline van der Meer Mohr[†].

* *Non-executive Group Chairman*

† *Independent non-executive Director*

Earnings Release – 1Q20

Terms and abbreviations

1Q20	First quarter of 2020
1Q19	First quarter of 2019
4Q19	Fourth quarter of 2019
AIEA	Average interest-earning assets
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
BSM	Balance Sheet Management
C&L	Credit and Lending
CET1	Common equity tier 1
CMB	Commercial Banking, a global business
CODM	Chief Operating Decision Maker
Corporate Centre	Corporate Centre comprises Central Treasury, including Balance Sheet Management, our legacy businesses, interests in our associates and joint ventures, central stewardship costs and the UK bank levy
CRR II	Revised Capital Requirements Regulation and Directive, as implemented
ECL	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
FTE	Full-time equivalent staff
FVOCI	Fair value through other comprehensive income
GB&M	Global Banking and Markets, a global business
GEC	Group Executive Committee
GLCM	Global Liquidity and Cash Management
GPB	Global Private Banking, a global business
Group	HSBC Holdings together with its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
HSBC	HSBC Holdings together with its subsidiary undertakings
HSBC Bank	HSBC Bank plc, also known as the non-ring-fenced bank
HSBC Holdings	HSBC Holdings plc, the parent company of HSBC
HSBC UK	HSBC UK Bank plc, also known as the ring-fenced bank
IAS	International Accounting Standards
IFRSs	International Financial Reporting Standards
IRB	Internal ratings based
JV	Joint venture
LCR	Liquidity coverage ratio
Mainland China	People's Republic of China excluding Hong Kong
MENA	Middle East and North Africa
Net operating income	Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue
NIM	Net interest margin
POCI	Purchased or originated credit-impaired financial assets
PRA	Prudential Regulation Authority (UK)
RBWM	Retail Banking and Wealth Management, a global business
Revenue	Net operating income before ECL
RoE	Return on equity
RoTE	Return on average tangible equity
RWAs	Risk-weighted assets
ServCo group	Separately incorporated group of service companies set up in response to UK ring-fencing proposals
\$m/\$bn/\$tn	United States dollar millions/billions/trillions. We report in US dollars

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Incorporated in England with limited liability

Registered number 617987



HSBC HOLDINGS PLC

Incorporated in England with limited liability.

Data Pack

1Q 2020

The financial information on which this supplement is based is unaudited and has been prepared in accordance with HSBC's significant accounting policies as described in the *Annual Report and Accounts 2019*. The financial information does not constitute financial statements prepared in accordance with International Financial Reporting Standards ('IFRSs'), is not complete and should be read in conjunction with the *Annual Report and Accounts 2019*, the *Earnings Release 1Q20*, and other reports and financial information published by HSBC.

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Income Statement

	Quarter ended				Year to date	
	31 Mar 2020 \$m	31 Dec 2019 \$m	30 Sep 2019 \$m	30 Jun 2019 \$m	31 Mar 2019 \$m	31 Dec 2019 \$m
Net interest income	7,612	7,654	7,568	7,772	7,468	30,462
Net fee income	3,123	2,938	2,961	3,098	3,026	12,023
Net income from financial instruments held for trading or managed on a fair value basis	3,364	2,354	2,546	2,450	2,881	10,231
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(3,580)	1,160	122	486	1,710	3,478
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(373)	195	160	187	270	812
Other income/(expense)	3,540	(930)	(2)	951	(927)	(908)
Net operating income before change in expected credit losses and other credit impairment charges¹	13,686	13,371	13,355	14,944	14,428	56,098
Change in expected credit losses and other credit impairment charges	(3,026)	(733)	(883)	(555)	(585)	(2,756)
Net operating income	10,660	12,638	12,472	14,389	13,843	53,342
Total operating expenses ¹	(7,852)	(17,053)	(8,147)	(8,927)	(8,222)	(42,349)
of which: staff expenses	(4,308)	(4,545)	(4,202)	(4,678)	(4,577)	(18,002)
Operating profit/(loss)	2,808	(4,415)	4,325	5,462	5,621	10,993
Share of profit in associates and joint ventures	421	518	512	732	592	2,354
Profit/(loss) before tax	3,229	(3,897)	4,837	6,194	6,213	13,347
Tax expense	(721)	(1,127)	(1,042)	(1,167)	(1,303)	(4,639)
Profit/(loss) after tax	2,508	(5,024)	3,795	5,027	4,910	8,708
Profit attributable to shareholders of the parent company	2,248	(5,310)	3,477	4,650	4,566	7,383
Profit attributable to non-controlling interests	260	286	318	377	344	1,325
Profit attributable to the ordinary shareholders of the parent company	1,785	(5,509)	2,971	4,373	4,134	5,969
Significant items - Totals						
Revenue	359	(276)	88	855	22	689
ECL	—	—	—	—	—	—
Operating expenses	(172)	(7,969)	(599)	(827)	(159)	(9,554)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Income statement Metrics - Reported						
Return on equity	4.4%	(13.3)%	7.0%	10.5%	10.2%	3.6%
Return on tangible equity	4.2%	5.2%	6.4%	11.7%	10.6%	8.4%
Cost efficiency ratio	57.4%	127.5%	61.0%	59.7%	57.0%	75.5%
Income statement Metrics - Adjusted as originally reported						
Adjusted cost efficiency ratio	57.6%	66.6%	56.9%	57.5%	55.9%	59.2%
Revenue						
Significant items						
Customer redress programmes	—	(45)	(118)	—	—	(163)
Disposals, acquisitions and investment in new businesses	(7)	(55)	(4)	827	—	768
Fair value movements on financial instruments	357	(176)	210	28	22	84
Restructuring and other related costs	9	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	(32)	(35)	(38)	(53)	(158)
Customer redress programmes	(1)	(183)	(488)	(554)	(56)	(1,281)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	(7,349)	—	—	—	(7,349)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(170)	(400)	(140)	(237)	(50)	(827)
Settlements and provisions in connection with legal and regulatory matters	(1)	(5)	64	2	—	61

¹ The difference between the consolidated group result and the sum of geographical regions is attributable to inter-segment eliminations and goodwill impairment recognised on the Global Banking and Markets cash-generating unit, which is monitored on a global basis.

Note: Risk-weighted asset data by Global business and Geographical region is provided separately at the end of this document.

HSBC
HSBC Holdings plc

Balance sheet data

	At				
	31 Mar 2020 \$m	31 Dec 2019 \$m	30 Sep 2019 \$m	30 Jun 2019 \$m	31 Mar 2019 \$m
Loans and advances to customers (gross)	1,050,667	1,045,475	1,026,414	1,030,152	1,013,830
Loans and advances to customers (net)	1,040,282	1,036,743	1,017,833	1,021,632	1,005,279
Total assets	2,917,810	2,715,152	2,728,347	2,751,273	2,658,996
Customer accounts	1,440,529	1,439,115	1,373,741	1,380,124	1,356,511
Financial Data Reported					
Total shareholders equity	189,771	183,955	189,517	192,676	188,362
AT1 capital	(20,914)	(20,871)	(22,367)	(22,367)	(22,367)
Preference shares	(1,405)	(1,405)	(1,405)	(1,405)	(1,405)
Perpetual capital securities	—	—	—	—	—
NAV	167,452	161,679	165,745	168,904	164,590
Goodwill, PVIF and Other Intangibles (net of tax)	(17,433)	(17,535)	(23,913)	(23,463)	(22,942)
TNAV	150,019	144,144	141,832	145,441	141,648
Total regulatory capital					
Transitional basis					
Common equity tier 1 capital	125,218	123,966	123,791	126,949	125,802
Additional tier 1 capital	24,026	24,393	25,886	25,878	26,046
Tier 2 capital	24,713	23,791	25,446	25,432	25,952
Total regulatory capital	173,957	172,150	175,123	178,259	177,800
End point basis					
Common equity tier 1 capital	125,218	123,966	123,791	126,949	125,802
Additional tier 1 capital	20,909	20,870	22,363	22,363	22,531
Tier 2 capital	15,001	14,473	15,984	16,107	24,313
Total regulatory capital	161,128	159,309	162,138	165,419	172,646
Capital ratios					
Transitional basis					
Common equity tier 1 ratio	14.6%	14.7%	14.3%	14.3%	14.3%
Tier 1 ratio	17.4%	17.6%	17.3%	17.2%	17.3%
Total capital ratio	20.3%	20.4%	20.2%	20.1%	20.2%
End point basis					
Common equity tier 1 ratio	14.6%	14.7%	14.3%	14.3%	14.3%
Tier 1 ratio	17.0%	17.2%	16.9%	16.9%	16.9%
Total capital ratio	18.8%	18.9%	18.7%	18.7%	19.6%
Leverage Ratio	5.3%	5.3%	5.4%	5.4%	5.4%
Earnings Metrics					
Basic number of \$0.50 ordinary shares outstanding (millions)	20,172	20,206	20,191	20,221	20,082
Earnings per share	\$0.09	-\$0.27	\$0.15	\$0.22	\$0.21
Dividend per ordinary share (in respect of the period)	\$0.00	\$0.00	\$0.10	\$0.10	\$0.21
NAV / share (\$) at the end of the period	\$8.30	\$8.00	\$8.21	\$8.35	\$8.20
TNAV / share (\$) at the end of the period	\$7.44	\$7.13	\$7.02	\$7.19	\$7.05

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Net Interest Margin

	Year to date				
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2020	2019	2019	2019	2019
	\$m	\$m	\$m	\$m	\$m
Average balances during period					
Short-term funds and loans and advances to banks	224,505	212,920	211,633	217,474	217,530
Loans and advances to customers	1,036,554	1,021,554	1,015,801	1,011,928	1,004,960
Reverse repurchase agreements – non-trading	232,455	224,942	227,837	231,308	234,455
Financial investments	435,609	417,939	415,205	408,673	407,325
Other interest-earning assets	62,579	45,467	44,673	43,325	38,642
Total interest-earning assets	1,991,702	1,922,822	1,915,149	1,912,708	1,902,912
Interest income during period					
Short-term funds and loans and advances to banks	483	2,411	1,887	1,285	658
Loans and advances to customers	8,534	35,578	26,881	17,833	8,763
Reverse repurchase agreements – non-trading	908	4,690	3,855	2,635	1,307
Financial investments	2,403	10,705	8,204	5,380	2,612
Other interest-earning assets	300	1,311	640	617	204
Total	12,628	54,695	41,467	27,750	13,544
Average balances during period					
Deposits by banks	56,890	52,515	52,037	51,199	51,663
Customer accounts	1,178,914	1,149,483	1,140,548	1,138,196	1,132,345
Repurchase agreements – non-trading	156,767	160,850	169,446	170,342	171,473
Debt securities in issue – non-trading	221,774	211,229	208,339	205,192	191,204
Other interest-bearing liabilities	74,389	59,980	58,746	59,266	59,671
Total interest-bearing liabilities	1,688,734	1,634,057	1,629,116	1,624,195	1,606,356
Non-interest bearing current accounts	237,514	227,651	226,940	228,524	231,918
Interest expense during period					
Deposits by banks	134	702	579	370	187
Customer accounts	2,400	11,238	8,516	5,637	2,780
Repurchase agreements – non-trading	624	4,023	3,424	2,320	1,138
Debt securities in issue – non-trading	1,462	6,522	4,974	3,361	1,576
Other interest-bearing liabilities	396	1,748	1,167	822	395
Total	5,016	24,233	18,660	12,510	6,076
Net interest margin	1.54%	1.58%	1.59%	1.61%	1.59%

HSBC
Retail Banking and Wealth Management

	Quarter ended					Year to date
	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2019
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	4,083	4,144	4,075	4,190	3,965	16,374
Net fee income	1,241	1,161	1,213	1,292	1,206	4,872
Net income from financial instruments held for trading or managed on a fair value basis	184	42	158	64	78	342
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(3,565)	1,151	141	505	1,712	3,509
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(29)	68	2	(2)	157	225
Other income/(expense)	2,948	(809)	(74)	(100)	(1,147)	(2,130)
Net operating income before change in expected credit losses and other credit impairment charges	4,862	5,757	5,515	5,949	5,971	23,192
Change in expected credit losses and other credit impairment charges	(1,059)	(401)	(450)	(238)	(302)	(1,391)
Net operating income	3,803	5,356	5,065	5,711	5,669	21,801
Total operating expenses	(3,456)	(3,824)	(3,966)	(4,131)	(3,508)	(15,429)
of which: staff expenses	(1,286)	(1,369)	(1,260)	(1,295)	(1,253)	(5,177)
Operating profit	347	1,532	1,099	1,580	2,161	6,372
Share of profit/(loss) in associates and joint ventures	(4)	5	7	30	13	55
Profit before tax	343	1,537	1,106	1,610	2,174	6,427
Significant items - Totals						
Revenue	(7)	(95)	(113)	—	—	(208)
ECL	—	—	—	—	—	—
Operating expenses	(7)	(278)	(477)	(600)	(57)	(1,412)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Balance sheet data						
	At					At
	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2019
Loans and advances to customers (gross)	382,162	398,515	379,299	379,053	372,142	398,515
Loans and advances to customers (net)	378,537	395,393	376,312	376,126	369,178	395,393
Total external assets	504,621	526,621	499,074	498,045	487,971	526,621
Customer accounts	683,033	689,283	655,592	660,588	653,969	689,283
Income statement Metrics - Reported						
Cost efficiency ratio	71.1%	66.4%	71.9%	69.4%	58.8%	66.5%
Income Statement Data - Adjusted as originally reported						
Adjusted cost efficiency ratio	70.8%	60.6%	62.0%	59.4%	57.8%	59.9%
Management View of Adjusted Revenue - as originally reported						
Retail Banking	3,831	3,989	3,981	4,002	3,870	15,840
Current Accounts, saving and deposits	2,274	2,425	2,422	2,449	2,197	9,492
Personal lending	1,557	1,564	1,559	1,553	1,673	6,348
Mortgages	423	392	379	407	433	1,610
Credit cards	675	705	711	688	789	2,893
Other personal lending	459	467	469	458	451	1,845
Wealth Management	912	1,655	1,476	1,706	1,907	6,746
Investment distribution	883	720	839	854	855	3,269
Life insurance manufacturing	(206)	677	395	590	793	2,455
Asset management	235	258	242	262	259	1,022
Other	126	208	171	241	194	814
Total	4,869	5,852	5,628	5,949	5,971	23,400
Revenue						
Significant items						
Customer redress programmes	—	(47)	(109)	—	—	(156)
Disposals, acquisitions and investment in new businesses	(7)	(48)	(4)	—	—	(52)
Fair value movement on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(1)	(180)	(469)	(599)	(56)	(1,264)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(98)	(8)	(41)	(1)	(148)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

	Quarter ended					Year to date
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	2,630	2,768	2,799	2,853	2,800	11,220
Net fee income	900	789	832	884	898	3,403
Net income from financial instruments held for trading or managed on a fair value basis	108	98	124	91	113	426
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(34)	6	(21)	(6)	—	(21)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(20)	38	11	15	21	85
Other income/(expense)	78	(12)	37	57	89	171
Net operating income before change in expected credit losses and other credit impairment charges	3,662	3,687	3,782	3,894	3,921	15,284
Change in expected credit losses and other credit impairment charges	(1,374)	(277)	(413)	(248)	(247)	(1,185)
Net operating income	2,288	3,410	3,369	3,646	3,674	14,099
Total operating expenses	(1,679)	(4,740)	(1,765)	(1,662)	(1,662)	(9,829)
of which: staff expenses	(617)	(644)	(620)	(634)	(618)	(2,516)
Operating profit/(loss)	609	(1,330)	1,604	1,984	2,012	4,270
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	609	(1,330)	1,604	1,984	2,012	4,270
Significant items - Totals						
Revenue	—	2	(9)	—	—	(7)
ECL	—	—	—	—	—	—
Operating expenses	(2)	(2,982)	(20)	(22)	(4)	(3,028)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Balance sheet data						
	At					At
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
Loans and advances to customers (gross)	355,883	350,603	345,911	351,838	344,198	350,603
Loans and advances to customers (net)	350,507	346,060	341,339	347,387	339,729	346,060
Total external assets	371,182	367,509	370,337	377,142	368,591	367,509
Customer accounts	377,639	386,522	353,037	358,735	349,352	386,522
Income statement Metrics - Reported						
Cost efficiency ratio	45.8%	128.5%	46.7%	42.7%	42.4%	64.3%
Income statement Metrics - Adjusted as originally reported						
Adjusted cost efficiency ratio	45.8%	47.7%	46.1%	42.1%	42.3%	44.5%
Management View of Adjusted Revenue - as originally reported						
Global Trade and Receivables Finance ¹	469	432	464	470	468	1,833
Credit and Lending	1,382	1,328	1,367	1,385	1,360	5,441
Global Liquidity and Cash Management	1,333	1,425	1,506	1,540	1,508	5,978
Markets products, Insurance and Investments and other	478	501	454	499	585	2,040
Total	3,662	3,686	3,791	3,894	3,921	15,292
Revenue						
Significant items						
Customer redress programmes	—	2	(9)	—	—	(7)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	—	(1)	(1)	(2)	(4)
Customer redress programmes	—	(2)	(16)	1	—	(17)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	(2,956)	—	—	—	(2,956)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(24)	(3)	(22)	(2)	(51)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

1. With effect from the third quarter of 2019, a change in the transfer pricing of Acceptances within GTRF resulted in a reduction in revenue for GTRF, offset in Other, leaving CMB quarterly revenue unchanged. All prior quarters have been re-presented on the revised basis.

	Quarter ended					Year to date
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	1,309	1,378	1,363	1,439	1,422	5,602
Net fee income	769	815	739	742	757	3,053
Net income from financial instruments held for trading or managed on a fair value basis	2,026	1,375	1,199	1,468	1,518	5,560
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(296)	84	140	104	65	393
Other income/(expense)	43	45	67	(132)	253	233
Net operating income before change in expected credit losses and other credit impairment charges	3,851	3,697	3,508	3,621	4,015	14,841
Change in expected credit losses and other credit impairment charges	(543)	(32)	(26)	(55)	(40)	(153)
Net operating income	3,308	3,665	3,482	3,566	3,975	14,688
Total operating expenses ²	(2,313)	(6,484)	(2,249)	(2,468)	(2,440)	(13,641)
of which: staff expenses	(936)	(1,003)	(870)	(1,069)	(1,038)	(3,980)
Operating profit/(loss)	995	(2,819)	1,233	1,098	1,535	1,047
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	995	(2,819)	1,233	1,098	1,535	1,047
Significant items - Totals						
Revenue	188	(43)	37	(17)	(53)	(76)
ECL	—	—	—	—	—	—
Operating expenses	(16)	(4,057)	(45)	(70)	(51)	(4,223)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Balance sheet data						
	At					At
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
Loans and advances to customers (gross)	263,443	247,198	253,353	251,803	253,185	247,198
Loans and advances to customers (net)	262,225	246,266	252,462	250,790	252,180	246,266
Total external assets	1,244,741	1,066,584	1,131,673	1,120,235	1,077,505	1,066,584
Customer accounts	307,458	292,284	295,900	289,950	281,462	292,284
Income statement Metrics - Reported						
Cost efficiency ratio	60.1%	175.4%	64.1%	68.2%	60.8%	91.9%
Income Statement Data - Adjusted as originally reported						
Adjusted cost efficiency ratio	62.7%	64.9%	63.5%	65.9%	58.7%	63.1%
Management View of Adjusted Revenue - as originally reported						
Global Markets	2,133	1,247	1,352	1,423	1,741	5,763
- FICC	1,844	1,073	1,145	1,189	1,364	4,770
Foreign Exchange	1,129	669	713	610	698	2,690
Rates	675	276	300	400	490	1,465
Credit	40	128	132	179	176	615
- Equities	289	174	207	234	377	993
Securities Services	510	518	509	525	478	2,030
Global Banking	942	986	989	996	935	3,905
Global Liquidity and Cash Management	608	674	692	700	687	2,753
Global Trade and Receivables Finance ¹	193	198	202	202	211	808
Principal Investments	(235)	45	93	38	84	260
Credit and Funding Valuation Adjustment	(346)	191	(160)	(34)	47	44
Other Revenue	(142)	(119)	(207)	(212)	(115)	(647)
Total	3,663	3,740	3,470	3,638	4,068	14,916
Revenue						
Significant items						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	188	(43)	37	(17)	(53)	(76)
Restructuring and other related costs	—	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	(5)	(8)	(16)	(13)	(42)
Customer redress programmes	—	—	(4)	4	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	(3,962)	—	—	—	(3,962)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(14)	(88)	(33)	(58)	(38)	(217)
Settlements and provisions in connection with legal and regulatory matters	(2)	(2)	—	—	—	(2)

1. With effect from the third quarter of 2019, a change in the transfer pricing of Acceptances within GTRF resulted in a reduction in revenue for GTRF, offset in Other, leaving GBM quarterly revenue unchanged. All prior quarters have been re-presented on the revised basis.

	Quarter ended					Year to date
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	213	217	221	226	215	879
Net fee income	228	190	206	194	181	771
Net income from financial instruments held for trading or managed on a fair value basis	76	41	51	44	50	186
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(2)	(2)	(4)	(4)	(3)	(13)
Other income/(expense)	(4)	6	(2)	14	7	25
Net operating income before change in expected credit losses and other credit impairment charges	511	452	472	474	450	1,848
Change in expected credit losses and other credit impairment charges	(49)	3	(6)	(17)	(2)	(22)
Net operating income	462	455	466	457	448	1,826
Total operating expenses	(342)	(811)	(284)	(370)	(352)	(1,817)
of which: staff expenses	(162)	(179)	(158)	(178)	(169)	(684)
Operating profit/(loss)	120	(356)	182	87	96	9
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	120	(356)	182	87	96	9
Significant items - Totals						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	(438)	59	(12)	(2)	(393)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Balance sheet data						
	At					At
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2020	2019	2019	2019	2019	2019
Loans and advances to customers (gross)	47,181	47,714	46,249	45,921	42,597	47,714
Loans and advances to customers (net)	47,037	47,593	46,132	45,806	42,497	47,593
Total external assets	52,150	52,224	52,058	50,757	47,901	52,224
Customer accounts	64,677	62,943	61,464	62,235	64,489	62,943
Income statement metrics- Reported						
Cost efficiency ratio	66.9%	179.4%	60.3%	78.2%	78.2%	98.3%
Income statement metrics - Adjusted as originally reported						
Adjusted cost efficiency ratio	66.7%	82.1%	73.0%	75.9%	77.8%	77.1%
Management View of Adjusted Revenue - as originally reported						
Investment	255	188	207	198	184	777
Lending	113	110	109	107	97	424
Deposit	103	111	112	119	121	462
Other	40	43	44	49	48	185
Total	511	452	472	473	450	1,848
Revenue						
Significant items						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	(431)	—	—	—	(431)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	(11)	(6)	(13)	(2)	(32)
Settlements and provisions in connection with legal and regulatory matters	—	4	65	1	—	70

	Quarter ended					Year to date
	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2019
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	(623)	(852)	(890)	(935)	(934)	(3,611)
Net fee income/(expense)	(15)	(18)	(28)	(14)	(16)	(76)
Net income from financial instruments held for trading or managed on a fair value basis	970	798	1,014	783	1,122	3,717
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	19	3	2	(13)	(2)	(10)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(26)	7	11	74	30	122
Other income/(expense)	475	(161)	(31)	1,112	(129)	791
Net operating income before change in expected credit losses and other credit impairment charges	800	(223)	78	1,007	71	933
Change in expected credit losses and other credit impairment (charges)/recoveries	(1)	(27)	13	2	5	(7)
Net operating income/(expense)	799	(250)	91	1,009	76	926
Total operating expenses	(62)	(1,193)	115	(296)	(260)	(1,634)
<i>of which: staff expenses</i>	<i>(1,307)</i>	<i>(1,350)</i>	<i>(1,295)</i>	<i>(1,501)</i>	<i>(1,499)</i>	<i>(5,645)</i>
Operating profit/(loss)	737	(1,443)	206	713	(184)	(708)
Share of profit in associates and joint ventures	425	513	505	702	579	2,299
Profit/(loss) before tax	1,162	(930)	711	1,415	395	1,591
Significant items - Totals						
Revenue	178	(140)	173	872	75	980
ECL	—	—	—	—	—	—
Operating expenses	(146)	(211)	(118)	(124)	(45)	(498)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Balance sheet data						
	At					At
	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2019
Loans and advances to customers (gross)	1,998	1,445	1,602	1,537	1,708	1,445
Loans and advances to customers (net)	1,976	1,431	1,589	1,523	1,695	1,431
Total external assets	745,116	702,214	675,205	705,094	677,028	702,214
Customer accounts	7,722	8,083	7,747	8,616	7,239	8,083
Income statement Metrics - Reported						
Cost efficiency ratio	7.8%	(535.0)%	(147.4)%	29.4%	366.2%	175.1%
Income statement Metrics - Adjusted as originally reported						
Adjusted cost efficiency ratio	(13.5)%	(1,183.1)%	245.3%	127.4%	(5,375.0)%	(2,417.0)%
Management View of Adjusted Revenue - as originally reported						
Central Treasury	699	(23)	313	269	305	859
Of which:						
Balance Sheet Management	829	450	626	593	623	2,292
Holdings interest expense ^{1,2}	(321)	(318)	(321)	(348)	(338)	(1,325)
Valuation differences on long-term debt and associated swaps	259	(73)	76	93	50	147
Other central treasury	(68)	(82)	(68)	(69)	(30)	(255)
Legacy Credit	(91)	13	(40)	(13)	(71)	(111)
Other ¹	14	(73)	(367)	(121)	(238)	(795)
Of which Argentina hyperinflation	(22)	30	(132)	14	(56)	(143)
Total²	622	(83)	(94)	135	(4)	(47)
Revenue						
Significant items						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(7)	—	827	—	820
Fair value movement on financial instruments	169	(133)	173	45	75	160
Restructuring and other related costs	9	—	—	—	—	—
Operating expenses						
Significant items						
Costs of structural reform	—	(27)	(26)	(21)	(38)	(112)
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(147)	(178)	(90)	(104)	(7)	(379)
Settlements and provisions in connection with legal and regulatory matters	1	(6)	(2)	1	—	(7)

1 With effect from 3Q19, we have changed the presentation of interest expense on certain derivatives from Other to Holdings Interest Expense. Total Corporate Centre quarterly revenue is unchanged.

2 All quarters have been re-presented for all three of these changes.

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,091	807	225	93	(770)	1,446	1,056	840	218	89	(856)	1,349
Net fee income/(expense)	350	362	141	93	(10)	936	350	335	169	89	(20)	923
Net income from financial instruments held for trading or managed on a fair value basis	67	10	720	14	519	1,330	9	—	565	10	205	789
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(1,749)	—	—	—	11	(1,738)	392	—	—	—	1	393
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(39)	(28)	(259)	—	230	(96)	47	29	110	—	280	466
Other income/(expense)	1,592	78	145	(7)	734	2,542	220	301	173	4	(43)	655
Net operating income before change in expected credit losses and other credit impairment charges	1,312	1,229	972	193	714	4,420	2,074	1,505	1,235	194	(433)	4,575
Change in expected credit losses and other credit impairment charges	(429)	(219)	(173)	(49)	2	(868)	(84)	(67)	2	1	20	(128)
Net operating income	883	1,010	799	144	716	3,552	1,990	1,438	1,237	195	(413)	4,447
Total operating expenses	(1,341)	(745)	(1,262)	(165)	(449)	(3,962)	(1,932)	(3,518)	(1,404)	(185)	(1,084)	(8,123)
of which: staff expenses	(409)	(235)	(431)	(70)	(372)	(1,517)	(477)	(253)	(487)	(78)	(498)	(1,793)
Operating profit/(loss)	(458)	265	(463)	(21)	267	(410)	58	(2,080)	(167)	10	(1,497)	(3,676)
Share of profit/(loss) in associates and joint ventures	—	—	—	—	(100)	(100)	—	—	—	—	(30)	(30)
Profit/(loss) before tax	(458)	265	(463)	(21)	167	(510)	58	(2,080)	(167)	10	(1,527)	(3,706)
Significant items - Totals												
Revenue	—	—	72	—	157	229	(46)	3	(24)	—	(136)	(203)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	1	(2)	(12)	—	(42)	(55)	(253)	(2,544)	(74)	(7)	(123)	(3,001)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
Loans and advances to customers (gross)	171,722	121,509	75,928	19,831	1,287	390,277	181,403	123,110	71,192	20,514	1,245	397,464
Loans and advances to customers (net)	170,220	119,595	75,452	19,690	1,264	386,221	180,241	121,238	70,742	20,396	1,233	393,850
Total external assets	207,982	122,430	643,880	22,876	267,065	1,264,233	220,325	123,845	559,591	23,610	246,755	1,174,126
Customer accounts	212,189	153,528	131,176	29,950	5,149	531,992	219,531	148,334	124,131	31,159	5,563	528,718
Income statement Metrics - Reported												
Cost efficiency ratio	102.2%	60.6%	129.8%	85.5%	62.9%	89.6%	93.2%	233.8%	113.7%	95.4%	(249.2)%	177.6%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	102.3%	60.5%	138.9%	85.5%	73.1%	93.2%	79.2%	64.8%	105.6%	91.8%	(320.3)%	107.4%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	(48)	3	—	—	—	(45)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	72	—	157	229	—	—	(24)	—	(134)	(158)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	(6)	—	(25)	(31)
Customer redress programmes	(1)	—	—	—	—	(1)	(181)	(2)	—	—	—	(183)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(2,522)	—	—	—	(2,522)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	2	(2)	(10)	—	(43)	(53)	(73)	(20)	(67)	(10)	(90)	(260)
Settlements and provisions in connection with legal and regulatory matters	—	—	(2)	—	1	(1)	—	—	(2)	3	(6)	(5)

HSBC
Europe

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	963	830	233	95	(1,179)	942	1,086	874	248	93	(516)	1,785
Net fee income/(expense)	362	321	134	83	(25)	875	409	370	109	81	(11)	958
Net income from financial instruments held for trading or managed on a fair value basis	(3)	14	329	11	807	1,158	1	4	738	10	(122)	631
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	207	—	—	—	(1)	206	324	—	—	—	(15)	309
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	4	—	169	—	282	455	(19)	10	128	—	186	305
Other income/(expense)	32	152	131	(4)	282	593	(3)	64	(70)	10	660	661
Net operating income before change in expected credit losses and other credit impairment charges	1,566	1,317	996	185	165	4,229	1,798	1,322	1,153	194	182	4,649
Change in expected credit losses and other credit impairment charges	(124)	(174)	25	(4)	3	(274)	(88)	(102)	(33)	(16)	4	(235)
Net operating income	1,442	1,143	1,021	181	168	3,955	1,710	1,220	1,120	178	186	4,414
Total operating expenses	(2,000)	(859)	(1,156)	(112)	(262)	(4,389)	(2,058)	(723)	(1,319)	(184)	(642)	(4,926)
of which: <i>staff expenses</i>	(400)	(238)	(372)	(70)	(411)	(1,491)	(430)	(238)	(489)	(83)	(520)	(1,760)
Operating profit/(loss)	(558)	284	(135)	69	(94)	(434)	(348)	497	(199)	(6)	(456)	(512)
Share of profit/(loss) in associates and joint ventures	—	—	—	—	11	11	—	—	—	—	5	5
Profit/(loss) before tax	(558)	284	(135)	69	(83)	(423)	(348)	497	(199)	(6)	(451)	(507)
Significant items - Totals												
Revenue	(109)	(9)	16	—	172	70	—	—	(7)	—	54	47
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(470)	(18)	(34)	61	(85)	(546)	(588)	(12)	(47)	(11)	(89)	(747)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
Balance sheet data												
Loans and advances to customers (gross)	166,711	119,669	74,140	18,816	1,289	380,625	169,196	122,946	74,208	19,241	1,336	386,927
Loans and advances to customers (net)	165,674	117,801	73,698	18,704	1,276	377,153	168,201	121,098	73,613	19,129	1,322	383,363
Total external assets	204,015	122,479	575,839	22,128	240,146	1,164,607	207,459	126,439	554,789	22,213	248,538	1,159,438
Customer accounts	203,243	133,647	126,593	28,500	4,891	496,874	207,157	136,183	125,575	30,742	4,729	504,386
Income statement Metrics - Reported												
Cost efficiency ratio	127.7%	65.2%	116.1%	60.5%	160.0%	103.8%	114.5%	54.7%	114.4%	94.8%	352.7%	106.0%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	91.3%	63.4%	114.5%	93.5%	(2,225.0)%	92.4%	81.8%	53.8%	109.7%	89.2%	432.0%	90.8%
Revenue												
Significant items												
Customer redress programmes	(109)	(9)	—	—	—	(118)	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	16	—	172	188	—	—	(7)	—	54	47
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	(1)	(7)	—	(25)	(33)	—	(1)	(16)	—	(22)	(39)
Customer redress programmes	(468)	(16)	(4)	—	—	(488)	(559)	1	4	—	—	(554)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	(1)	(23)	(4)	(60)	(89)	(29)	(12)	(35)	(11)	(68)	(155)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	65	(1)	64	—	—	—	—	1	1

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,103	878	231	90	(778)	1,524	4,208	3,422	930	369	(3,328)	5,601
Net fee income/(expense)	334	348	162	78	(11)	911	1,455	1,374	574	331	(66)	3,668
Net income from financial instruments held for trading or managed on a fair value basis	(23)	14	588	8	620	1,207	(16)	32	2,220	39	1,510	3,785
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	747	—	—	—	—	747	1,671	—	—	—	(15)	1,656
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	105	19	100	—	67	291	137	58	507	—	814	1,516
Other income/(expense)	(591)	25	318	4	169	(75)	(342)	542	552	14	1,064	1,830
Net operating income before change in expected credit losses and other credit impairment charges	1,675	1,284	1,399	180	67	4,605	7,113	5,428	4,783	753	(21)	18,056
Change in expected credit losses and other credit impairment charges	(83)	(176)	(48)	(3)	7	(303)	(379)	(519)	(54)	(22)	36	(938)
Net operating income	1,592	1,108	1,351	177	74	4,302	6,734	4,909	4,729	731	15	17,118
Total operating expenses	(1,505)	(696)	(1,324)	(179)	(614)	(4,318)	(7,495)	(5,796)	(5,203)	(660)	(2,604)	(21,758)
of which: staff expenses	(422)	(236)	(462)	(78)	(508)	(1,706)	(1,729)	(965)	(1,810)	(309)	(1,937)	(6,750)
Operating profit/(loss)	87	412	27	(2)	(540)	(16)	(761)	(887)	(474)	71	(2,590)	(4,641)
Share of profit/(loss) in associates and joint ventures	—	—	—	—	2	2	—	—	—	—	—	(12)
Profit/(loss) before tax	87	412	27	(2)	(538)	(14)	(761)	(887)	(474)	71	(2,602)	(4,653)
Significant items - Totals												
Revenue	—	—	(21)	—	81	60	(155)	(6)	(36)	—	171	(26)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(56)	(3)	(42)	(2)	(40)	(143)	(1,367)	(2,577)	(197)	41	(335)	(4,435)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	At 31 Mar 2019						At 31 Dec 2019					
Loans and advances to customers (gross)	169,024	122,552	76,286	18,398	1,485	387,745	181,403	123,110	71,192	20,514	1,245	397,464
Loans and advances to customers (net)	168,041	120,583	75,732	18,302	1,471	384,129	180,241	121,238	70,742	20,396	1,233	393,850
Total external assets	206,728	125,626	536,617	21,630	229,999	1,120,600	220,325	123,845	559,591	23,610	246,755	1,174,126
Customer accounts	207,681	136,920	127,205	31,687	3,966	507,459	219,531	148,334	124,131	31,159	5,563	528,718
Income statement Metrics - Reported												
Cost efficiency ratio	89.9%	54.2%	94.6%	99.4%	916.4%	93.8%	105.4%	106.8%	108.8%	87.6%	(12,400.0)%	120.5%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	86.5%	54.0%	90.3%	98.3%	(4,100.0)%	91.9%	84.3%	59.2%	103.9%	93.1%	(1,163.6)%	95.8%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	(157)	(6)	—	—	—	(163)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(21)	—	81	60	—	—	(36)	—	173	137
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	(2)	(13)	—	(37)	(52)	—	(4)	(42)	—	(108)	(154)
Customer redress programmes	(56)	—	—	—	—	(56)	(1,264)	(17)	—	—	—	(1,281)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(2,522)	—	—	—	(2,522)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	(1)	(28)	(2)	(4)	(35)	(103)	(34)	(153)	(27)	(221)	(538)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	(2)	68	(6)	60

Quarter ended 31 Mar 2020						
Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	
\$m	\$m	\$m	\$m	\$m	\$m	
Net interest income	902	586	—	32	14	1,534
Net fee income/(expense)	199	240	(60)	14	(2)	391
Net income from financial instruments held for trading or managed on a fair value basis	7	4	113	1	9	134
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	(4)	—	—	—	(4)
Other income	6	7	—	5	59	77
Net operating income before change in expected credit losses and other credit impairment charges	1,114	833	53	52	80	2,132
Change in expected credit losses and other credit impairment charges	(407)	(163)	—	1	—	(569)
Net operating income	707	670	53	53	80	1,563
Total operating expenses	(728)	(380)	(39)	(35)	(12)	(1,194)
of which: staff expenses	(194)	(113)	(3)	(15)	33	(292)
Operating profit/(loss)	(21)	290	14	18	68	369
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(21)	290	14	18	68	369

Significant items - Totals

Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	(8)	(8)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	At 31 Mar 2020					
	\$m	\$m	\$m	\$m	\$m	
Loans and advances to customers (gross)	142,253	84,267	—	5,552	642	232,714
Loans and advances to customers (net)	140,989	83,052	—	5,499	641	230,181
Total external assets	144,821	85,434	95	5,989	92,011	328,350
Customer accounts	171,316	97,577	—	6,732	305	275,930

Income Statement Metrics

Cost efficiency ratio	65.4%	45.6%	73.6%	67.3%	15.0%	56.0%
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Income Statement metrics - Adjusted as originally reported

Adjusted cost efficiency ratio	65.4%	45.6%	73.6%	67.3%	5.0%	55.6%
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Revenue

Significant items

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

Operating expenses

Significant items

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	1	—	—	—	(8)	(7)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

Quarter ended 31 Dec 2019						
Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	
\$m	\$m	\$m	\$m	\$m	\$m	
Net interest income	858	613	(4)	33	10	1,510
Net fee income/(expense)	211	232	(66)	10	(4)	383
Net income from financial instruments held for trading or managed on a fair value basis	8	(4)	127	1	(1)	131
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	1	—	—	—	1
Other income	6	8	—	7	16	37
Net operating income before change in expected credit losses and other credit impairment charges	1,083	850	57	51	21	2,062
Change in expected credit losses and other credit impairment charges	(82)	(19)	—	(1)	—	(102)
Net operating income	1,001	831	57	50	21	1,960
Total operating expenses	(962)	(414)	(35)	(41)	18	(1,434)
of which: staff expenses	(240)	(115)	(5)	(14)	59	(315)
Operating profit/(loss)	39	417	22	9	39	526
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	39	417	22	9	39	526

Revenue	(45)	3	—	—	—	(42)
ECL	—	—	—	—	—	—
Operating expenses	(226)	(5)	—	(1)	(19)	(251)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	
Loans and advances to customers (gross)	151,302	86,475	—	5,755	705	244,237
Loans and advances to customers (net)	150,366	85,272	—	5,675	705	242,018
Total external assets	154,171	87,935	65	6,232	90,239	338,642
Customer accounts	178,135	99,544	—	7,828	348	285,855

Cost efficiency ratio	88.8%	48.7%	61.4%	80.4%	(85.7)%	69.5%
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Adjusted cost efficiency ratio	65.2%	48.3%	61.4%	78.4%	(176.2)%	56.2%
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Customer redress programmes	(45)	3	—	—	—	(42)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(180)	(2)	—	—	—	(182)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(46)	(3)	—	(1)	(19)	(69)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	762	591	2	33	17	1,405	638	254	(62)	11	14	1,564
Net fee income/(expense)	205	213	(41)	13	(4)	386	243	254	(62)	11	(2)	444
Net income from financial instruments held for trading or managed on a fair value basis	17	6	90	1	(2)	112	14	1	114	1	1	131
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	1	—	—	—	1	—	(1)	—	—	—	(1)
Other income	7	8	—	3	5	23	1	10	—	4	13	28
Net operating income before change in expected credit losses and other credit impairment charges	991	819	51	50	16	1,927	1,134	902	54	50	26	2,166
Change in expected credit losses and other credit impairment charges	(118)	(128)	—	(3)	—	(249)	(88)	(78)	—	(18)	—	(184)
Net operating income	873	691	51	47	16	1,678	1,046	824	54	32	26	1,982
Total operating expenses	(1,207)	(421)	(38)	(42)	7	(1,701)	(1,352)	(391)	(36)	(38)	(8)	(1,825)
<i>of which: staff expenses</i>	(186)	(111)	(2)	(15)	44	(270)	(227)	(122)	(3)	(15)	45	(322)
Operating profit/(loss)	(334)	270	13	5	23	(23)	(306)	433	18	(6)	18	157
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(334)	270	13	5	23	(23)	(306)	433	18	(6)	18	157
Significant items - Totals												
Revenue	(109)	(9)	—	—	—	(118)	—	—	—	—	—	—
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(467)	(15)	—	—	(18)	(500)	(586)	(11)	—	—	(18)	(615)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	At 30 Sep 2019					At 30 Jun 2019						
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	138,212	82,492	—	5,420	682	226,806	140,353	84,365	—	5,561	764	231,043
Loans and advances to customers (net)	137,401	81,302	—	5,346	681	224,730	139,614	83,220	—	5,487	764	229,085
Total external assets	141,015	83,742	29	5,894	82,564	313,244	143,404	85,990	22	6,040	79,836	315,292
Customer accounts	163,826	90,334	—	7,692	274	262,126	167,167	90,210	—	7,191	107	264,675
Income Statement Metrics												
Cost efficiency ratio	121.8%	51.4%	74.5%	84.0%	(43.8)%	88.3%	119.2%	43.3%	66.7%	76.0%	30.8%	84.3%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	67.3%	49.0%	74.5%	84.0%	(156.3)%	58.7%	67.5%	42.1%	66.7%	76.0%	(38.5)%	55.9%
Revenue												
Significant items												
Customer redress programmes	(109)	(9)	—	—	—	(118)	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	(469)	(15)	—	—	—	(484)	(559)	—	—	—	—	(559)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	2	—	—	—	(18)	(16)	(27)	(11)	—	—	(18)	(56)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	894	643	—	35	16	1,588	3,390	2,485	—	135	57	6,067
Net fee income/(expense)	182	226	(61)	10	(2)	355	841	925	(230)	44	(12)	1,568
Net income from financial instruments held for trading or managed on a fair value basis	9	1	123	1	3	137	48	4	454	4	1	511
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	1	—	—	—	1	—	2	—	—	—	2
Other income	1	8	—	5	24	38	15	34	—	19	58	126
Net operating income before change in expected credit losses and other credit impairment charges	1,086	879	62	51	41	2,119	4,294	3,450	224	202	104	8,274
Change in expected credit losses and other credit impairment charges	(87)	(156)	—	(2)	—	(245)	(375)	(381)	—	(24)	—	(780)
Net operating income	999	723	62	49	41	1,874	3,919	3,069	224	178	104	7,494
Total operating expenses	(799)	(346)	(45)	(41)	—	(1,231)	(4,320)	(1,572)	(154)	(162)	17	(6,191)
of which: staff expenses	(199)	(115)	(4)	(16)	48	(286)	(852)	(463)	(14)	(60)	196	(1,193)
Operating profit/(loss)	200	377	17	8	41	643	(401)	1,497	70	16	121	1,303
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	200	377	17	8	41	643	(401)	1,497	70	16	121	1,303
Significant items - Totals												
Revenue	—	—	—	—	—	—	(154)	(6)	—	—	—	(160)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(56)	—	—	—	(1)	(57)	(1,335)	(31)	—	(1)	(56)	(1,423)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	At 31 Mar 2019						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	141,068	85,693	—	5,574	918	233,253	151,302	86,475	—	5,755	705	244,237
Loans and advances to customers (net)	140,325	84,507	—	5,517	918	231,267	150,366	85,272	—	5,675	705	242,018
Total external assets	144,146	87,419	80	6,075	78,297	316,017	154,171	87,935	65	6,232	90,239	338,642
Customer accounts	168,841	90,406	—	7,173	48	266,468	178,135	99,544	—	7,828	348	285,855
Income Statement Metrics												
Cost efficiency ratio	73.6%	39.4%	72.6%	80.4%	—%	58.1%	100.6%	45.6%	68.8%	80.2%	(16.3)%	74.8%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	68.4%	39.4%	72.6%	80.4%	(2.4)%	55.4%	67.1%	44.6%	68.8%	79.7%	(70.2)%	56.5%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	(154)	(6)	—	—	—	(160)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	(1)	(1)	—	—	—	—	(1)	(1)
Customer redress programmes	(56)	—	—	—	—	(56)	(1,264)	(17)	—	—	—	(1,281)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	(71)	(14)	—	(1)	(55)	(141)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

Quarter ended 31 Mar 2020						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	191	221	217	26	(107)	548
Net fee income/(expense)	87	122	201	32	(2)	440
Net income from financial instruments held for trading or managed on a fair value basis	49	6	615	3	113	786
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(1,746)	—	—	—	10	(1,736)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(22)	(25)	(259)	—	(34)	(340)
Other income/(expense)	1,453	6	159	(7)	97	1,708
Net operating income before change in expected credit losses and other credit impairment charges	12	330	933	54	77	1,406
Change in expected credit losses and other credit impairment charges	(22)	(57)	(173)	(1)	2	(251)
Net operating income/(expense)	(10)	273	760	53	79	1,155
Total operating expenses	(302)	(210)	(1,147)	(49)	(74)	(1,782)
of which: staff expenses	(112)	(74)	(346)	(15)	(138)	(685)
Operating profit/(loss)	(312)	63	(387)	4	5	(627)
Share of profit/(loss) in associates and joint ventures	—	—	—	—	(100)	(100)
Profit/(loss) before tax	(312)	63	(387)	4	(95)	(727)

Significant items - Totals

Revenue	—	—	73	—	(1)	72
ECL	—	—	—	—	—	—
Operating expenses	—	—	(11)	—	(4)	(15)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	29,469	37,242	75,928	5,488	646	148,773
Loans and advances to customers (net)	29,231	36,543	75,452	5,473	624	147,323
Total external assets	60,459	38,504	642,366	5,561	148,815	895,705
Customer accounts	40,873	55,951	131,176	9,511	4,765	242,276

Income Statement Metrics

Cost efficiency ratio	2,516.7%	63.6%	122.9%	90.7%	96.1%	126.7%	53.6%	53.8%	100.8%	69.6%	(681.3)%	86.3%
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Income Statement metrics - Adjusted as originally reported

Adjusted cost efficiency ratio	2,516.7%	63.6%	132.1%	90.7%	89.7%	132.5%	50.3%	52.2%	92.9%	65.2%	(270.6)%	77.9%
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Revenue

Significant items

Customer redress programmes	—	—	—	—	—	—	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	73	—	(1)	72	—	—	(24)	—	1	(23)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—

Operating expenses

Significant items

Costs of structural reform	—	—	—	—	—	—	—	—	(4)	—	(11)	(15)
Customer redress programmes	—	—	—	—	—	—	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	(10)	—	(5)	(15)	(16)	(6)	(65)	(3)	(45)	(135)
Settlements and provisions in connection with legal and regulatory matters	—	—	(1)	—	1	—	—	—	(2)	—	(6)	(8)

Quarter ended 31 Dec 2019						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	191	221	217	26	(107)	548
Net fee income/(expense)	87	122	201	32	(2)	440
Net income from financial instruments held for trading or managed on a fair value basis	49	6	615	3	113	786
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(1,746)	—	—	—	10	(1,736)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(22)	(25)	(259)	—	(34)	(340)
Other income/(expense)	1,453	6	159	(7)	97	1,708
Net operating income before change in expected credit losses and other credit impairment charges	12	330	933	54	77	1,406
Change in expected credit losses and other credit impairment charges	(22)	(57)	(173)	(1)	2	(251)
Net operating income/(expense)	(10)	273	760	53	79	1,155
Total operating expenses	(302)	(210)	(1,147)	(49)	(74)	(1,782)
of which: staff expenses	(112)	(74)	(346)	(15)	(138)	(685)
Operating profit/(loss)	(312)	63	(387)	4	5	(627)
Share of profit/(loss) in associates and joint ventures	—	—	—	—	(100)	(100)
Profit/(loss) before tax	(312)	63	(387)	4	(95)	(727)

Revenue	(1)	—	(24)	—	1	(24)
ECL	—	—	—	—	—	—
Operating expenses	(16)	(6)	(71)	(3)	(63)	(159)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	30,100	36,635	71,192	5,680	541	144,148
Loans and advances to customers (net)	29,875	35,966	70,742	5,665	527	142,775
Total external assets	64,689	38,168	558,111	6,113	132,811	799,892
Customer accounts	41,395	48,789	124,131	9,915	5,129	229,359

Cost efficiency ratio	53.6%	53.8%	100.8%	69.6%	(681.3)%	86.3%
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Adjusted cost efficiency ratio	50.3%	52.2%	92.9%	65.2%	(270.6)%	77.9%
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Customer redress programmes	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(24)	—	1	(23)
Restructuring and other related costs	—	—	—	—	—	—

Costs of structural reform	—	—	(4)	—	(11)	(15)
Customer redress programmes	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(16)	(6)	(65)	(3)	(45)	(135)
Settlements and provisions in connection with legal and regulatory matters	—	—	(2)	—	(6)	(8)

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	203	239	226	28	(175)	521	213	236	242	26	(220)	497
Net fee income/(expense)	90	107	175	31	(7)	396	99	116	171	32	(5)	413
Net income from financial instruments held for trading or managed on a fair value basis	(17)	8	245	3	164	403	(12)	3	428	2	222	643
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	208	—	—	—	(1)	207	324	—	—	—	(15)	309
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	3	(1)	169	—	5	176	(26)	11	128	—	28	141
Other income/(expense)	(268)	6	154	(6)	(13)	(127)	(178)	11	159	2	30	24
Net operating income before change in expected credit losses and other credit impairment charges	219	359	969	56	(27)	1,576	420	377	1,128	62	40	2,027
Change in expected credit losses and other credit impairment charges	(6)	(45)	25	—	3	(23)	—	(24)	(33)	—	4	(53)
Net operating income/(expense)	213	314	994	56	(24)	1,553	420	353	1,095	62	44	1,974
Total operating expenses	(296)	(203)	(1,042)	(46)	(35)	(1,622)	(296)	(196)	(1,224)	(47)	(108)	(1,871)
of which: staff expenses	(111)	(75)	(294)	(16)	(118)	(614)	(107)	(74)	(395)	(17)	(148)	(741)
Operating profit/(loss)	(83)	111	(48)	10	(59)	(69)	124	157	(129)	15	(64)	103
Share of profit/(loss) in associates and joint ventures	—	—	—	—	10	10	—	—	—	—	4	4
Profit/(loss) before tax	(83)	111	(48)	10	(49)	(59)	124	157	(129)	15	(60)	107
Significant items - Totals												
Revenue	—	—	16	—	(1)	15	—	—	(7)	—	3	(4)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	(37)	(1)	(26)	(65)	(2)	(2)	(41)	(2)	(35)	(82)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	28,499	37,177	74,140	5,083	607	145,506	28,843	38,581	74,208	5,088	572	147,292
Loans and advances to customers (net)	28,273	36,499	73,698	5,067	595	144,132	28,587	37,878	73,613	5,073	558	145,709
Total external assets	61,594	38,493	574,395	5,526	134,409	814,417	62,613	40,181	553,271	5,569	147,905	809,539
Customer accounts	39,417	43,313	126,593	9,835	4,533	223,691	39,990	45,973	125,575	11,848	4,538	227,924
Income Statement Metrics												
Cost efficiency ratio	135.2%	56.5%	107.5%	82.1%	(129.6)%	102.9%	70.5%	52.0%	108.5%	75.8%	270.0%	92.3%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	134.7%	56.5%	105.5%	80.4%	(34.6)%	99.7%	70.0%	51.5%	104.2%	72.6%	197.3%	88.1%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	16	—	(1)	15	—	—	(7)	—	3	(4)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	(1)	(10)	—	(10)	(21)	—	(1)	(12)	—	(17)	(30)
Customer redress programmes	—	1	(4)	—	—	(3)	—	—	4	—	—	4
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	(24)	(1)	(13)	(39)	(1)	(1)	(33)	(2)	(20)	(57)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(2)	(2)	—	—	—	—	1	1

HSBC
HSBC Bank
Non ring-fenced bank

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	212	236	229	23	(331)	369	828	937	911	103	(891)	1,888
Net fee income/(expense)	89	122	222	32	—	465	356	448	803	133	(22)	1,718
Net income from financial instruments held for trading or managed on a fair value basis	(33)	13	668	2	268	918	(66)	29	1,816	9	851	2,639
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	747	—	—	—	—	747	1,671	—	—	—	(15)	1,656
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	82	18	100	—	—	200	95	56	507	—	41	699
Other income/(expense)	(772)	2	143	(3)	(34)	(664)	(1,424)	25	600	(4)	(64)	(867)
Net operating income before change in expected credit losses and other credit impairment charges	325	391	1,362	54	(97)	2,035	1,460	1,495	4,637	241	(100)	7,733
Change in expected credit losses and other credit impairment charges	5	(21)	(48)	—	8	(56)	(3)	(138)	(54)	1	34	(160)
Net operating income/(expense)	330	370	1,314	54	(89)	1,979	1,457	1,357	4,583	242	(66)	7,573
Total operating expenses	(343)	(219)	(1,177)	(47)	(106)	(1,892)	(1,201)	(816)	(4,631)	(188)	(358)	(7,194)
of which: staff expenses	(116)	(78)	(375)	(16)	(150)	(735)	(448)	(299)	(1,448)	(67)	(581)	(2,843)
Operating profit/(loss)	(13)	151	137	7	(195)	87	256	541	(48)	54	(424)	379
Share of profit/(loss) in associates and joint ventures	—	—	—	—	2	2	—	—	—	—	(13)	(13)
Profit/(loss) before tax	(13)	151	137	7	(193)	89	256	541	(48)	54	(437)	366
Significant items - Totals												
Revenue	—	—	(21)	—	—	(21)	(1)	—	(36)	—	3	(34)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	(3)	(39)	—	(31)	(73)	(19)	(11)	(188)	(6)	(155)	(379)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	At 31 Mar 2019						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	27,956	36,859	76,286	4,706	567	146,374	30,100	36,635	71,192	5,680	541	144,148
Loans and advances to customers (net)	27,716	36,076	75,732	4,690	554	144,768	29,875	35,966	70,742	5,665	527	142,775
Total external assets	60,863	37,945	535,121	5,155	142,315	781,399	64,689	38,168	558,111	6,113	132,811	799,892
Customer accounts	38,840	46,514	127,205	11,522	3,838	227,919	41,395	48,789	124,131	9,915	5,129	229,359
Income Statement Metrics												
Cost efficiency ratio	105.5%	56.0%	86.4%	87.0%	(109.3)%	93.0%	82.3%	54.6%	99.9%	78.0%	(358.0)%	93.0%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	105.5%	55.2%	82.3%	87.0%	(77.3)%	88.5%	80.9%	53.8%	95.1%	75.5%	(197.1)%	87.7%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(21)	—	—	(21)	—	—	(36)	—	3	(33)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	(2)	(11)	—	(31)	(44)	—	(4)	(37)	—	(69)	(110)
Customer redress programmes	—	—	—	—	—	—	(1)	1	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	(1)	(28)	—	(1)	(30)	(18)	(8)	(150)	(6)	(79)	(261)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	(2)	—	(7)	(9)

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	(2)	—	8	35	(677)	(636)	(2)	—	8	32	(701)	(663)
Net fee income/(expense)	64	—	—	47	(6)	105	60	—	—	41	(5)	96
Net income from financial instruments held for trading or managed on a fair value basis	11	—	(8)	10	397	410	5	—	(38)	6	11	(16)
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(3)	—	—	—	1	(2)	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(17)	1	—	—	264	248	11	—	—	—	271	282
Other income/(expense)	133	65	(14)	(5)	578	757	421	286	29	(5)	(14)	717
Net operating income before change in expected credit losses and other credit impairment charges	186	66	(14)	87	557	882	495	286	(1)	74	(438)	416
Change in expected credit losses and other credit impairment charges	—	1	—	(49)	—	(48)	—	—	—	1	—	1
Net operating income/(expense)	186	67	(14)	38	557	834	495	286	(1)	75	(438)	417
Total operating expenses	(311)	(155)	(76)	(81)	(363)	(986)	(704)	(2,906)	(181)	(97)	(994)	(4,882)
of which: staff expenses	(103)	(48)	(82)	(40)	(267)	(540)	(123)	(66)	(98)	(45)	(393)	(725)
Operating profit/(loss)	(125)	(88)	(90)	(43)	194	(152)	(209)	(2,620)	(182)	(22)	(1,432)	(4,465)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Profit/(loss) before tax	(125)	(88)	(90)	(43)	194	(152)	(209)	(2,620)	(182)	(22)	(1,434)	(4,467)
Significant items - Totals												
Revenue	—	—	(1)	—	158	157	—	—	—	—	(135)	(135)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	1	(2)	(1)	—	(30)	(32)	(11)	(2,533)	(3)	(3)	(38)	(2,588)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	—	—	—	8,791	(1)	8,790	—	—	—	9,079	—	9,079
Loans and advances to customers (net)	—	—	—	8,718	(1)	8,717	—	—	—	9,055	—	9,055
Total external assets	2,702	(1,508)	1,419	11,326	26,239	40,178	1,466	(2,259)	1,416	11,266	23,704	35,593
Customer accounts	—	—	—	13,707	79	13,786	—	—	—	13,416	86	13,502
Income Statement Metrics												
Cost efficiency ratio	167.2%	234.8%	(542.9)%	93.1%	65.2%	111.8%	142.2%	1,016.1%	(18,100.0)%	131.1%	(226.9)%	1,173.6%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	167.7%	231.8%	(576.9)%	93.1%	83.5%	131.6%	140.0%	130.4%	(17,800.0)%	127.0%	(315.5)%	416.3%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(1)	—	158	157	—	—	—	—	(135)	(135)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	(1)	—	(14)	(15)
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(2,521)	—	—	—	(2,521)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	1	(2)	—	—	(30)	(31)	(11)	(12)	(2)	(6)	(24)	(55)
Settlements and provisions in connection with legal and regulatory matters	—	—	(1)	—	—	(1)	—	—	—	3	—	3

HSBC
Europe - other

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	(1)	—	5	34	(1,021)	(983)	(3)	—	4	33	(310)	(276)
Net fee income/(expense)	67	—	—	39	(12)	94	67	—	—	38	(4)	101
Net income from financial instruments held for trading or managed on a fair value basis	(3)	—	(6)	8	644	643	(1)	—	196	7	(345)	(143)
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	1	—	—	—	276	277	7	—	—	—	158	165
Other income/(expense)	293	138	(23)	(2)	291	697	174	43	(229)	4	617	609
Net operating income before change in expected credit losses and other credit impairment charges	357	138	(24)	79	178	728	244	43	(29)	82	116	456
Change in expected credit losses and other credit impairment charges	—	—	—	(1)	1	—	—	—	—	2	—	2
Net operating income/(expense)	357	138	(24)	78	179	728	244	43	(29)	84	116	458
Total operating expenses	(499)	(236)	(75)	(25)	(235)	(1,070)	(410)	(136)	(59)	(99)	(526)	(1,230)
of which: staff expenses	(103)	(51)	(76)	(38)	(339)	(607)	(96)	(42)	(91)	(51)	(417)	(697)
Operating profit/(loss)	(142)	(98)	(99)	53	(56)	(342)	(166)	(93)	(88)	(15)	(410)	(772)
Share of profit in associates and joint ventures	—	—	—	—	1	1	—	—	—	—	1	1
Profit/(loss) before tax	(142)	(98)	(99)	53	(55)	(341)	(166)	(93)	(88)	(15)	(409)	(771)
Significant items - Totals												
Revenue	—	—	—	—	174	174	—	—	—	—	51	51
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(2)	(2)	3	63	(43)	19	—	1	(6)	(9)	(36)	(50)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	—	—	—	8,313	—	8,313	—	—	—	8,592	—	8,592
Loans and advances to customers (net)	—	—	—	8,291	—	8,291	—	—	—	8,569	—	8,569
Total external assets	1,405	244	1,415	10,708	23,174	36,946	1,442	268	1,496	10,604	20,797	34,607
Customer accounts	—	—	—	10,973	83	11,056	—	—	—	11,703	84	11,787
Income Statement Metrics												
Cost efficiency ratio	139.8%	171.0%	(312.5)%	31.6%	132.0%	147.0%	168.0%	316.3%	(203.4)%	120.7%	453.4%	269.7%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	139.2%	169.6%	(325.0)%	111.4%	4,800.0%	196.6%	168.0%	318.6%	(182.8)%	109.8%	753.8%	291.4%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	174	174	—	—	—	—	51	51
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	3	—	(14)	(11)	—	—	(4)	—	(5)	(9)
Customer redress programmes	—	(1)	—	—	—	(1)	—	1	—	—	—	1
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(2)	(1)	—	(2)	(29)	(34)	—	—	(2)	(9)	(31)	(42)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	65	—	65	—	—	—	—	—	—

HSBC
Europe - other

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	(3)	—	2	32	(464)	(433)	(9)	—	19	131	(2,496)	(2,355)
Net fee income/(expense)	64	—	—	36	(9)	91	258	—	154	(30)	382	382
Net income from financial instruments held for trading or managed on a fair value basis	—	—	(203)	5	350	152	1	—	(51)	26	660	636
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	23	—	—	—	67	90	42	—	—	772	814	814
Other income/(expense)	181	16	175	1	176	549	1,069	483	(48)	1,070	2,572	2,572
Net operating income before change in expected credit losses and other credit impairment charges	265	16	(26)	74	120	449	1,361	483	(80)	309	(24)	2,049
Change in expected credit losses and other credit impairment charges	—	—	—	(1)	—	(1)	—	—	—	1	1	2
Net operating income/(expense)	265	16	(26)	73	120	448	1,361	483	(80)	310	(23)	2,051
Total operating expenses	(363)	(130)	(102)	(90)	(508)	(1,193)	(1,976)	(3,408)	(417)	(311)	(2,263)	(8,375)
of which: staff expenses	(106)	(43)	(84)	(47)	(404)	(684)	(428)	(202)	(349)	(181)	(1,553)	(2,713)
Operating profit/(loss)	(98)	(114)	(128)	(17)	(388)	(745)	(615)	(2,925)	(497)	(1)	(2,286)	(6,324)
Share of profit in associates and joint ventures	—	—	—	—	1	1	—	—	—	1	1	1
Profit/(loss) before tax	(98)	(114)	(128)	(17)	(387)	(744)	(615)	(2,925)	(497)	(1)	(2,285)	(6,323)
Significant items - Totals												
Revenue	—	—	—	—	80	80	—	—	—	170	—	170
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	(3)	(2)	(7)	(12)	(13)	(2,534)	(9)	49	(124)	(2,631)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	—	—	—	8,117	—	8,117	—	—	9,079	—	—	9,079
Loans and advances to customers (net)	—	—	—	8,095	—	8,095	—	—	9,055	—	—	9,055
Total external assets	1,718	262	1,416	10,400	9,389	23,185	1,466	(2,259)	1,416	11,266	23,704	35,593
Customer accounts	—	—	—	12,992	82	13,074	—	—	—	13,416	86	13,502
Income Statement Metrics												
Cost efficiency ratio	137.0%	812.5%	(392.3)%	121.6%	423.3%	265.7%	145.2%	705.6%	(521.3)%	100.6%	(9,429.2)%	408.7%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	137.0%	812.5%	(380.8)%	118.9%	1,252.5%	320.1%	144.2%	181.0%	(510.0)%	116.5%	(1,102.6)%	305.7%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	80	80	—	—	—	—	170	170
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	(2)	—	(33)	(35)
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(2,521)	—	—	—	(2,521)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(2)	(2)	(4)	—	—	—	(2)	(2)	(4)
Restructuring and other related costs	—	—	—	—	—	—	(13)	(13)	(4)	(17)	(84)	(131)
Settlements and provisions in connection with legal and regulatory matters	—	—	(3)	(2)	(7)	(12)	—	—	(3)	66	(7)	56

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	2,173	1,262	758	90	(155)	4,128	2,240	1,353	795	(271)	4,213	
Net fee income	640	340	329	120	3	1,432	545	265	324	84	1,221	
Net income from financial instruments held for trading or managed on a fair value basis	69	71	825	60	498	1,523	33	71	441	30	1,076	
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(1,810)	(34)	—	—	6	(1,838)	719	3	—	—	722	
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	5	8	1	(2)	(14)	(2)	12	8	4	(2)	13	
Other income	1,612	74	120	2	508	2,316	(464)	12	129	2	323	
Net operating income before change in expected credit losses and other credit impairment charges	2,689	1,721	2,033	270	846	7,559	3,085	1,712	1,693	210	547	
Change in expected credit losses and other credit impairment charges	(183)	(741)	(75)	—	(1)	(1,000)	(68)	(99)	(16)	2	(181)	
Net operating income	2,506	980	1,958	270	845	6,559	3,017	1,613	1,677	212	7,066	
Total operating expenses	(1,438)	(609)	(788)	(126)	(323)	(3,284)	(1,470)	(674)	(831)	(138)	(3,503)	
of which: staff expenses	(557)	(230)	(313)	(69)	(588)	(1,757)	(565)	(236)	(332)	(78)	(1,748)	
Operating profit	1,068	371	1,170	144	522	3,275	1,547	939	846	74	3,563	
Share of profit/(loss) in associates and joint ventures	(5)	—	—	—	470	465	3	—	—	—	472	
Profit before tax	1,063	371	1,170	144	992	3,740	1,550	939	846	74	629	
Significant items - Totals												
Revenue	—	—	88	—	10	98	—	—	(15)	—	—	(15)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	—	—	(1)	(1)	(3)	—	(12)	—	(38)	(53)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	157,159	163,748	141,520	21,293	688	484,408	160,473	160,957	137,166	21,171	193	479,960
Loans and advances to customers (net)	156,360	161,958	141,214	21,292	688	481,512	159,742	159,712	136,910	21,170	193	477,727
Total external assets	238,107	173,078	354,070	23,435	321,799	1,110,489	243,777	171,819	322,676	23,019	322,370	1,083,661
Customer accounts	375,683	158,613	129,045	26,850	726	690,917	372,729	172,626	126,290	25,376	337	697,358
Income statement Metrics - Reported												
Cost efficiency ratio	53.5%	35.4%	38.8%	46.7%	38.2%	43.4%	47.6%	39.4%	49.1%	65.7%	71.3%	48.3%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	53.5%	35.4%	40.5%	46.7%	38.5%	44.0%	47.6%	39.4%	48.0%	65.7%	64.4%	47.5%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	88	—	10	98	—	—	(15)	—	—	(15)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	(1)	(1)	(3)	—	(12)	—	(37)	(52)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	2,248	1,377	809	95	(317)	4,212	2,229	1,394	819	96	(352)	4,186
Net fee income	593	317	326	101	2	1,339	619	331	311	92	3	1,356
Net income from financial instruments held for trading or managed on a fair value basis	44	70	571	39	583	1,307	29	64	450	34	566	1,143
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(27)	(10)	—	—	2	(35)	174	(6)	—	—	1	169
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	5	9	5	(4)	(14)	1	2	2	3	(4)	3	6
Other income	335	29	130	2	394	890	171	41	134	3	430	779
Net operating income before change in expected credit losses and other credit impairment charges	3,198	1,792	1,841	233	650	7,714	3,224	1,826	1,717	221	651	7,639
Change in expected credit losses and other credit impairment charges	(88)	(163)	(28)	(3)	(1)	(283)	(31)	(53)	(19)	1	—	(102)
Net operating income	3,110	1,629	1,813	230	649	7,431	3,193	1,773	1,698	222	651	7,537
Total operating expenses	(1,415)	(639)	(787)	(117)	(345)	(3,303)	(1,415)	(608)	(839)	(126)	(372)	(3,360)
of which: staff expenses	(551)	(233)	(310)	(66)	(551)	(1,711)	(543)	(242)	(370)	(69)	(622)	(1,846)
Operating profit	1,695	990	1,026	113	304	4,128	1,778	1,165	859	96	279	4,177
Share of profit/(loss) in associates and joint ventures	5	—	—	—	518	523	23	—	—	—	573	596
Profit before tax	1,700	990	1,026	113	822	4,651	1,801	1,165	859	96	852	4,773
Significant items - Totals												
Revenue	—	—	18	—	2	20	—	—	(5)	—	(8)	(13)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	(6)	(1)	(19)	(27)	(3)	(9)	(17)	1	(11)	(39)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	157,705	161,056	139,633	21,521	308	480,223	155,626	164,510	134,478	20,876	197	475,687
Loans and advances to customers (net)	156,978	159,825	139,386	21,518	308	478,015	154,896	163,392	134,267	20,876	196	473,627
Total external assets	234,628	175,249	342,563	24,092	295,524	1,072,056	230,215	178,705	328,301	22,836	319,918	1,079,975
Customer accounts	359,577	160,453	126,840	25,260	427	672,557	360,950	165,265	126,448	24,281	345	677,289
Income statement Metrics - Reported												
Cost efficiency ratio	44.2%	35.7%	42.7%	50.2%	53.1%	42.8%	43.9%	33.3%	48.9%	57.0%	57.1%	44.0%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	44.2%	35.7%	42.8%	49.8%	50.3%	42.6%	43.8%	32.8%	47.7%	57.5%	54.8%	43.4%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	18	—	2	20	—	—	(5)	—	(8)	(13)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	(2)	(2)	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	(6)	(1)	(17)	(25)	(3)	(9)	(17)	—	(11)	(40)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	1	—	1

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	2,008	1,340	785	89	(226)	3,996	8,725	5,464	3,208	376	(1,166)	16,607
Net fee income	643	358	321	84	3	1,409	2,400	1,271	1,282	361	11	5,325
Net income from financial instruments held for trading or managed on a fair value basis	21	67	603	41	477	1,209	127	272	2,065	144	2,127	4,735
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	949	(2)	—	—	—	947	1,815	(15)	—	3	—	1,803
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	4	—	7	(3)	—	8	23	19	19	(13)	(20)	28
Other income	(348)	62	120	2	414	250	(306)	144	513	9	1,561	1,921
Net operating income before change in expected credit losses and other credit impairment charges	3,277	1,825	1,836	213	668	7,819	12,784	7,155	7,087	877	2,516	30,419
Change in expected credit losses and other credit impairment charges	(78)	(71)	(7)	—	(2)	(158)	(265)	(386)	(70)	—	(3)	(724)
Net operating income	3,199	1,754	1,829	213	666	7,661	12,519	6,769	7,017	877	2,513	29,695
Total operating expenses	(1,334)	(579)	(767)	(116)	(335)	(3,131)	(5,634)	(2,500)	(3,224)	(497)	(1,442)	(13,297)
of which: staff expenses	(521)	(230)	(357)	(65)	(612)	(1,785)	(2,180)	(941)	(1,369)	(278)	(2,322)	(7,090)
Operating profit	1,865	1,175	1,062	97	331	4,530	6,885	4,269	3,793	380	1,071	16,398
Share of profit/(loss) in associates and joint ventures	13	—	—	—	463	476	44	—	—	—	2,026	2,070
Profit before tax	1,878	1,175	1,062	97	794	5,006	6,929	4,269	3,793	380	3,097	18,468
Significant items - Totals												
Revenue	—	—	(23)	—	(4)	(27)	—	—	(25)	—	(10)	(35)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	(5)	—	(2)	(7)	(7)	(9)	(40)	—	(70)	(126)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	150,032	160,643	134,043	18,668	220	463,606	160,473	160,957	137,166	21,171	193	479,960
Loans and advances to customers (net)	149,268	159,562	133,792	18,667	219	461,508	159,742	159,712	136,910	21,170	193	477,727
Total external assets	222,041	174,520	318,745	20,836	310,258	1,046,400	243,777	171,819	322,676	23,019	322,370	1,083,661
Customer accounts	355,698	157,706	117,479	25,272	411	656,566	372,729	172,626	126,290	25,376	337	697,358
Income statement Metrics - Reported												
Cost efficiency ratio	40.7%	31.7%	41.8%	54.5%	50.1%	40.0%	44.1%	34.9%	45.5%	56.7%	57.3%	43.7%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	40.7%	31.7%	41.0%	54.5%	49.6%	39.8%	44.0%	34.8%	44.8%	56.7%	54.3%	43.2%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(23)	—	(4)	(27)	—	—	(25)	—	(10)	(35)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	(1)	(1)	—	—	—	—	(4)	(4)
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	(5)	—	(1)	(6)	(7)	(9)	(40)	(1)	(66)	(123)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	1	—	1

Quarter ended 31 Mar 2020						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,694	831	363	73	(190)	2,771
Net fee income	515	219	132	95	7	968
Net income from financial instruments held for trading or managed on a fair value basis	73	34	476	44	325	952
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(1,664)	(34)	—	—	6	(1,692)
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	5	8	1	(2)	(12)	—
Other income	1,419	52	28	1	242	1,742
Net operating income before change in expected credit losses and other credit impairment charges	2,042	1,110	1,000	211	378	4,741
Change in expected credit losses and other credit impairment charges	(90)	(19)	(24)	—	—	(133)
Net operating income	1,952	1,091	976	211	378	4,608
Total operating expenses	(834)	(323)	(393)	(88)	(120)	(1,758)
of which: staff expenses	(331)	(124)	(154)	(49)	(142)	(800)
Operating profit	1,118	768	583	123	258	2,850
Share of profit/(loss) in associates and joint ventures	(5)	—	—	—	2	(3)
Profit before tax	1,113	768	583	123	260	2,847

Significant items - Totals

Revenue	—	—	61	—	—	61
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	At 31 Mar 2020					
	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	106,082	104,834	86,548	15,752	423	313,639
Loans and advances to customers (net)	105,695	104,258	86,335	15,751	423	312,462
Total external assets	179,861	111,432	227,380	17,479	175,488	711,640
Customer accounts	312,464	111,906	53,448	18,567	123	496,508

Income statement Metrics - Reported

Cost efficiency ratio	40.8%	29.1%	39.3%	41.7%	31.7%	37.1%
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Income Statement metrics - Adjusted as originally reported

Adjusted cost efficiency ratio	40.8%	29.1%	41.9%	41.7%	31.7%	37.6%
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Revenue

Significant items

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	61	—	—	61
Restructuring and other related costs	—	—	—	—	—	—

Operating expenses

Significant items

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

Quarter ended 31 Dec 2019						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,743	902	387	387	79	2,850
Net fee income	439	175	160	69	8	851
Net income from financial instruments held for trading or managed on a fair value basis	28	40	222	24	356	670
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	658	3	—	—	(1)	660
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	12	8	4	(2)	(10)	12
Other income	(525)	(10)	28	1	45	(461)
Net operating income before change in expected credit losses and other credit impairment charges	2,355	1,118	801	171	137	4,582
Change in expected credit losses and other credit impairment charges	(47)	(47)	(27)	1	2	(118)
Net operating income	2,308	1,071	774	172	139	4,464
Total operating expenses	(844)	(378)	(429)	(101)	(100)	(1,852)
of which: staff expenses	(342)	(130)	(185)	(60)	(75)	(792)
Operating profit	1,464	693	345	71	39	2,612
Share of profit/(loss) in associates and joint ventures	—	—	—	—	2	2
Profit before tax	1,464	693	345	71	41	2,614

Revenue	—	—	(9)	—	—	(9)
ECL	—	—	—	—	—	—
Operating expenses	—	—	(10)	—	(14)	(24)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	105,948	103,725	82,936	15,347	152	308,108
Loans and advances to customers (net)	105,594	103,128	82,743	15,346	152	306,963
Total external assets	181,604	110,674	207,952	16,978	178,859	696,067
Customer accounts	307,653	123,330	51,099	17,697	176	499,955

Cost efficiency ratio	35.8%	33.8%	53.6%	59.1%	73.0%	40.4%
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Adjusted cost efficiency ratio	35.8%	33.8%	51.7%	59.1%	62.8%	39.8%
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Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(10)	—	—	(10)
Restructuring and other related costs	—	—	—	—	—	—

Costs of structural reform	—	—	—	—	(1)	(1)
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Restructuring and other related costs	—	—	(10)	—	(13)	(23)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,752	922	364	79	(235)	2,882	1,738	943	376	81	(290)	2,848
Net fee income	473	213	155	81	7	929	491	222	142	73	8	936
Net income from financial instruments held for trading or managed on a fair value basis	48	41	310	31	335	765	37	39	232	27	318	653
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(41)	(10)	—	—	2	(49)	146	(6)	—	—	1	141
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	5	9	5	(4)	(11)	4	2	2	3	(4)	5	8
Other income	247	6	23	1	89	366	81	13	25	1	207	327
Net operating income before change in expected credit losses and other credit impairment charges	2,484	1,181	857	188	187	4,897	2,495	1,213	778	178	249	4,913
Change in expected credit losses and other credit impairment charges	(69)	(115)	(20)	(2)	(1)	(207)	3	(27)	(9)	—	(1)	(34)
Net operating income	2,415	1,066	837	186	186	4,690	2,498	1,186	769	178	248	4,879
Total operating expenses	(781)	(356)	(371)	(77)	(93)	(1,678)	(793)	(319)	(407)	(86)	(128)	(1,733)
of which: staff expenses	(320)	(127)	(134)	(42)	(94)	(717)	(315)	(127)	(179)	(46)	(145)	(812)
Operating profit	1,634	710	466	109	93	3,012	1,705	867	362	92	120	3,146
Share of profit/(loss) in associates and joint ventures	3	—	—	—	2	5	16	—	—	—	2	18
Profit before tax	1,637	710	466	109	95	3,017	1,721	867	362	92	122	3,164

Significant items - Totals												
Revenue	—	—	13	—	—	13	—	—	(2)	—	(6)	(8)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	(2)	—	(16)	(19)	—	(4)	(7)	1	(3)	(13)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—

	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance sheet data												
Loans and advances to customers (gross)	105,733	103,826	83,502	15,692	182	308,935	103,131	107,066	79,386	15,630	181	305,394
Loans and advances to customers (net)	105,387	103,235	83,335	15,689	182	307,828	102,811	106,575	79,232	15,630	180	304,428
Total external assets	175,237	114,496	224,628	17,877	166,320	698,558	170,457	117,723	211,338	17,346	178,533	695,397
Customer accounts	298,529	116,473	54,166	17,902	277	487,347	300,391	119,335	50,630	17,389	203	487,948

Income statement Metrics - Reported												
Cost efficiency ratio	31.4%	30.1%	43.3%	41.0%	49.7%	34.3%	31.8%	26.3%	52.3%	48.3%	51.4%	35.3%

Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	31.4%	30.1%	43.7%	41.0%	41.2%	34.0%	31.8%	26.0%	51.3%	48.9%	49.0%	35.0%

Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	13	—	—	13	—	—	(2)	—	(6)	(8)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—

Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	(2)	(2)	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	(2)	—	(14)	(17)	—	(4)	(7)	—	(3)	(14)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	1	—	1

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	1,530	884	367	74	(197)	2,658	6,763	3,651	1,494	313	(983)	11,238
Net fee income	490	237	153	66	8	954	1,893	847	610	289	31	3,670
Net income from financial instruments held for trading or managed on a fair value basis	33	42	344	35	290	744	146	162	1,108	117	1,299	2,832
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	819	(2)	—	—	—	817	1,582	(15)	—	2	—	1,569
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	4	—	7	(3)	4	12	23	19	19	(13)	(12)	36
Other income	(350)	34	19	1	131	(165)	(547)	43	95	4	472	67
Net operating income before change in expected credit losses and other credit impairment charges	2,526	1,195	890	173	236	5,020	9,860	4,707	3,326	710	809	19,412
Change in expected credit losses and other credit impairment charges	(43)	(44)	(13)	—	—	(100)	(156)	(233)	(69)	(1)	—	(459)
Net operating income	2,483	1,151	877	173	236	4,920	9,704	4,474	3,257	709	809	18,953
Total operating expenses	(759)	(314)	(386)	(80)	(133)	(1,672)	(3,177)	(1,367)	(1,593)	(344)	(454)	(6,935)
of which: staff expenses	(304)	(124)	(178)	(45)	(181)	(832)	(1,281)	(508)	(676)	(193)	(495)	(3,153)
Operating profit	1,724	837	491	93	103	3,248	6,527	3,107	1,664	365	355	12,018
Share of profit/(loss) in associates and joint ventures	3	—	—	—	3	6	22	—	—	—	9	31
Profit before tax	1,727	837	491	93	106	3,254	6,549	3,107	1,664	365	364	12,049
Significant items - Totals												
Revenue	—	—	(16)	—	(6)	(22)	—	—	(14)	—	(12)	(26)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	(5)	—	(2)	(7)	(1)	(4)	(24)	1	(36)	(64)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	98,718	103,170	80,391	13,808	205	296,292	105,948	103,725	82,936	15,347	152	308,108
Loans and advances to customers (net)	98,367	102,697	80,245	13,808	205	295,322	105,594	103,128	82,743	15,346	153	306,964
Total external assets	163,778	113,402	205,434	15,727	173,438	671,779	181,604	110,674	207,952	16,978	178,859	696,067
Customer accounts	295,533	114,786	46,775	18,477	192	475,763	307,653	123,330	51,099	17,697	176	499,955
Income statement Metrics - Reported												
Cost efficiency ratio	30.0%	26.3%	43.4%	46.2%	56.4%	33.3%	32.2%	29.0%	47.9%	48.5%	56.1%	35.7%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	30.0%	26.3%	42.1%	46.2%	54.1%	33.0%	32.2%	29.0%	47.0%	48.6%	51.0%	35.4%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(16)	—	(6)	(22)	—	—	(15)	—	(11)	(26)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	(1)	(1)	—	—	—	—	(4)	(4)
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	(5)	—	(1)	(6)	(1)	(4)	(24)	—	(32)	(61)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	1	—	1

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	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	101	139	134	—	24	398	100	146	140	—	9	395
Net fee income/(expense)	34	43	14	—	(1)	90	20	24	15	—	(1)	58
Net income from financial instruments held for trading or managed on a fair value basis	(4)	(7)	27	—	69	85	(5)	(9)	24	—	41	51
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(13)	—	—	—	—	(13)	12	—	—	—	—	12
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Other income	39	18	38	—	115	210	34	17	45	—	102	198
Net operating income before change in expected credit losses and other credit impairment charges	157	193	213	—	207	770	161	178	224	—	151	714
Change in expected credit losses and other credit impairment charges	(25)	(19)	(19)	—	—	(63)	(10)	(20)	1	—	—	(29)
Net operating income	132	174	194	—	207	707	151	158	225	—	151	685
Total operating expenses	(172)	(102)	(100)	(1)	(147)	(522)	(183)	(108)	(100)	(2)	(153)	(546)
of which: staff expenses	(75)	(39)	(38)	—	(172)	(324)	(75)	(37)	(34)	(1)	(170)	(317)
Operating profit/(loss)	(40)	72	94	(1)	60	185	(32)	50	125	(2)	(2)	139
Share of profit in associates and joint ventures	—	—	—	—	468	468	—	—	—	—	470	470
Profit/(loss) before tax	(40)	72	94	(1)	528	653	(32)	50	125	(2)	468	609
Significant items - Totals												
Revenue	—	—	2	—	—	2	—	—	—	—	(1)	(1)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—	—	—	—	—	(4)	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 31 Mar 2020						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	9,951	18,578	15,496	9	25	44,059	10,148	17,389	15,091	9	24	42,661
Loans and advances to customers (net)	9,861	18,383	15,458	9	24	43,735	10,072	17,208	15,067	9	24	42,380
Total external assets	11,715	20,518	27,818	9	53,650	113,710	11,867	19,655	28,028	9	51,156	110,715
Customer accounts	11,792	14,276	19,370	23	31	45,492	11,814	15,283	21,170	28	28	48,323
Income statement Metrics - Reported												
Cost efficiency ratio	109.6%	52.8%	46.9%	—%	71.0%	67.8%	113.7%	60.7%	44.6%	—%	101.3%	76.5%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	109.6%	52.8%	47.4%	—%	71.0%	68.0%	113.7%	60.7%	44.6%	—%	98.0%	75.8%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	2	—	—	2	—	—	—	—	(1)	(1)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	(4)	(4)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

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Mainland China

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	100	151	153	—	2	406	103	155	149	—	15	422
Net fee income/(expense)	26	33	12	—	(1)	70	37	30	15	—	—	82
Net income from financial instruments held for trading or managed on a fair value basis	(8)	(11)	31	—	107	119	(8)	(13)	(14)	—	95	60
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	4	—	—	—	—	4	1	—	—	—	—	1
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Other income	34	18	51	—	87	190	41	20	52	—	114	227
Net operating income before change in expected credit losses and other credit impairment charges	156	191	247	—	195	789	174	192	202	—	224	792
Change in expected credit losses and other credit impairment charges	(12)	(20)	(1)	—	—	(33)	(14)	(11)	(3)	—	—	(28)
Net operating income	144	171	246	—	195	756	160	181	199	—	224	764
Total operating expenses	(185)	(97)	(146)	(1)	(146)	(527)	(178)	(100)	(101)	(1)	(159)	(539)
of which: staff expenses	(77)	(38)	(40)	—	(168)	(323)	(74)	(40)	(40)	—	(169)	(323)
Operating profit/(loss)	(41)	74	148	(1)	49	229	(18)	81	98	(1)	65	225
Share of profit in associates and joint ventures	—	—	—	—	516	516	—	—	—	—	570	570
Profit/(loss) before tax	(41)	74	148	(1)	565	745	(18)	81	98	(1)	635	795
Significant items - Totals												
Revenue	—	—	1	—	—	1	—	—	—	—	—	—
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—	—	(1)	—	—	(1)	(2)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance sheet data												
Loans and advances to customers (gross)	9,825	17,513	13,977	9	1	41,325	9,987	18,725	14,223	11	—	42,946
Loans and advances to customers (net)	9,752	17,309	13,953	9	1	41,024	9,915	18,532	14,199	11	—	42,657
Total external assets	11,448	19,786	25,605	9	47,292	104,140	11,591	20,880	24,864	11	50,437	107,783
Customer accounts	10,931	13,440	18,687	26	27	43,111	11,109	13,942	20,307	22	29	45,409
Income statement Metrics - Reported												
Cost efficiency ratio	118.6%	50.8%	39.7%	—%	74.9%	66.8%	102.3%	52.1%	50.0%	—%	71.0%	68.1%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	118.6%	50.8%	39.8%	—%	74.9%	66.9%	102.3%	51.6%	50.0%	—%	70.5%	67.8%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	1	—	—	1	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	(1)	—	—	(1)	(2)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

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Mainland China

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	101	157	149	—	19	426	404	609	591	—	45	1,649
Net fee income/(expense)	43	43	13	—	99	308	126	130	55	—	(2)	309
Net income from financial instruments held for trading or managed on a fair value basis	(7)	(13)	11	—	41	32	(28)	(46)	52	—	284	262
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	45	—	—	—	—	45	62	—	—	—	—	62
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Other income	22	22	54	—	106	204	131	77	202	—	409	819
Net operating income before change in expected credit losses and other credit impairment charges	204	209	227	—	166	806	695	770	900	—	736	3,101
Change in expected credit losses and other credit impairment charges	(12)	(24)	(4)	—	—	(40)	(48)	(76)	(5)	—	—	(129)
Net operating income	192	185	223	—	166	766	647	694	895	—	736	2,972
Total operating expenses	(174)	(95)	(133)	(1)	(133)	(499)	(720)	(400)	(395)	(5)	(591)	(2,111)
of which: staff expenses	(73)	(39)	(40)	—	(159)	(311)	(299)	(154)	(154)	(1)	(666)	(1,274)
Operating profit/(loss)	18	90	127	(1)	33	267	(73)	294	500	(5)	145	861
Share of profit in associates and joint ventures	—	—	—	—	461	461	—	—	—	—	2,016	2,016
Profit/(loss) before tax	18	90	127	(1)	494	728	(73)	294	500	(5)	2,161	2,877
Significant items - Totals												
Revenue	—	—	(1)	—	—	(1)	—	—	—	—	(1)	(1)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—	—	(1)	—	—	(5)	(6)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 31 Mar 2019						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance sheet data												
Loans and advances to customers (gross)	10,075	18,135	13,695	12	—	41,917	10,148	17,389	15,091	9	24	42,661
Loans and advances to customers (net)	10,008	17,951	13,672	12	—	41,643	10,072	17,208	15,067	9	24	42,380
Total external assets	11,647	20,467	26,071	12	47,873	106,070	11,867	19,655	28,028	9	51,156	110,715
Customer accounts	11,006	12,918	17,833	21	30	41,808	11,814	15,283	21,170	28	28	48,323
Income statement Metrics - Reported												
Cost efficiency ratio	85.3%	45.5%	42.3%	—%	80.1%	61.9%	103.6%	51.9%	43.9%	—%	80.3%	68.1%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	85.3%	45.5%	42.1%	—%	80.1%	61.8%	103.6%	51.8%	43.9%	—%	79.5%	67.9%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(1)	—	—	(1)	—	—	—	—	(1)	(1)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	(1)	—	—	(5)	(6)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

HSBC
Middle East and North Africa

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	148	106	124	—	16	394	150	109	125	—	48	432
Net fee income/(expense)	56	49	72	—	(1)	176	64	39	94	—	(4)	193
Net income from financial instruments held for trading or managed on a fair value basis	19	9	53	—	15	96	13	10	60	—	(7)	76
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(3)	—	(3)	(6)	—	—	—	—	1	1
Other income	4	—	2	—	24	30	5	—	9	—	48	62
Net operating income before change in expected credit losses and other credit impairment charges	227	164	248	—	51	690	232	158	288	—	86	764
Change in expected credit losses and other credit impairment charges	(50)	(142)	(140)	—	(1)	(333)	(7)	(42)	(3)	—	—	(52)
Net operating income	177	22	108	—	50	357	225	116	285	—	86	712
Total operating expenses	(170)	(80)	(100)	—	(19)	(369)	(187)	(191)	(107)	(2)	(10)	(497)
of which: staff expenses	(57)	(31)	(31)	(3)	(71)	(193)	(61)	(34)	(32)	(3)	(71)	(201)
Operating profit/(loss)	7	(58)	8	—	31	(12)	38	(75)	178	(2)	76	215
Share of profit in associates and joint ventures	—	—	—	—	56	56	—	—	—	—	71	71
Profit/(loss) before tax	7	(58)	8	—	87	44	38	(75)	178	(2)	147	286
Significant items - Totals												
Revenue	—	—	1	—	—	1	—	—	—	—	—	—
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—	(2)	(99)	(1)	—	(2)	(104)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	6,099	12,400	12,774	—	—	31,273	6,217	11,829	11,909	—	—	29,955
Loans and advances to customers (net)	5,776	11,349	12,526	—	—	29,651	5,918	10,860	11,778	—	—	28,556
Total external assets	5,965	12,492	17,817	3	27,533	63,810	6,092	11,952	15,753	3	28,062	61,862
Customer accounts	18,967	8,986	12,599	—	1	40,553	18,467	8,863	10,795	—	1	38,126
Income statement Metrics - Reported												
Cost efficiency ratio	74.9%	48.8%	40.3%	—%	37.3%	53.5%	81.4%	120.9%	37.2%	—%	11.6%	65.3%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	74.9%	48.8%	40.5%	—%	37.3%	53.6%	80.5%	58.2%	36.8%	—%	9.3%	51.6%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	1	—	—	1	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(97)	—	—	—	(97)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	(2)	(2)	(1)	—	(2)	(7)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

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Middle East and North Africa

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	156	115	147	—	34	452	156	112	145	—	47	460
Net fee income/(expense)	51	45	66	5	(2)	165	55	43	66	4	(1)	167
Net income from financial instruments held for trading or managed on a fair value basis	15	9	51	—	2	77	15	9	53	—	(7)	70
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(1)	—	—	(1)	—	—	2	—	—	2
Other income	3	(1)	2	—	7	11	2	1	3	—	835	841
Net operating income before change in expected credit losses and other credit impairment charges	225	168	265	5	41	704	228	165	269	4	874	1,540
Change in expected credit losses and other credit impairment charges	(14)	2	(3)	—	(1)	(16)	(4)	(40)	1	—	—	(43)
Net operating income	211	170	262	5	40	688	224	125	270	4	874	1,497
Total operating expenses	(170)	(86)	(91)	(3)	(8)	(358)	(156)	(73)	(86)	(3)	(311)	(349)
of which: staff expenses	(54)	(31)	(30)	(3)	(70)	(188)	(55)	(32)	(34)	(3)	(72)	(196)
Operating profit/(loss)	41	84	171	2	32	330	68	52	184	1	843	1,148
Share of profit in associates and joint ventures	—	—	—	—	(24)	(24)	—	—	—	—	122	122
Profit/(loss) before tax	41	84	171	2	8	306	68	52	184	1	965	1,270
Significant items - Totals												
Revenue	—	—	—	—	—	—	—	—	—	—	828	828
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	—	—	(2)	(3)	(1)	—	(1)	—	(2)	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance sheet data												
Loans and advances to customers (gross)	6,180	11,916	11,523	—	—	29,619	6,184	11,933	11,925	—	—	30,042
Loans and advances to customers (net)	5,807	10,874	11,409	—	—	28,090	5,808	10,893	11,808	—	—	28,509
Total external assets	5,957	11,934	15,178	3	25,439	58,511	5,952	11,986	15,575	2	25,496	59,011
Customer accounts	18,340	8,074	10,353	—	—	36,767	18,179	8,014	10,400	—	—	36,593
Income statement Metrics - Reported												
Cost efficiency ratio	75.6%	51.2%	34.3%	60.0%	19.5%	50.9%	67.7%	44.2%	32.0%	75.0%	3.5%	22.6%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	75.1%	51.2%	34.3%	60.0%	14.6%	50.4%	67.2%	44.2%	31.6%	75.0%	63.0%	48.2%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	828	828
Fair value movements on financial instruments	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	(2)	(3)	(1)	—	(1)	—	(2)	(4)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

HSBC
Middle East and North Africa

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	151	123	153	—	10	437	613	459	570	139	1,781	
Net fee income/(expense)	48	46	63	4	(1)	160	218	173	289	(8)	685	
Net income from financial instruments held for trading or managed on a fair value basis	14	11	61	—	18	104	57	39	225	6	327	
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(2)	—	1	(1)	—	—	(1)	2	1	
Other income	3	—	—	—	(1)	2	13	—	14	—	916	
Net operating income before change in expected credit losses and other credit impairment charges	216	180	275	4	27	702	901	671	1,097	13	1,028	3,710
Change in expected credit losses and other credit impairment charges	(19)	14	—	—	(1)	(6)	(44)	(66)	(5)	—	(2)	(117)
Net operating income	197	194	275	4	26	696	857	605	1,092	13	1,026	3,593
Total operating expenses	(156)	(79)	(85)	(3)	(22)	(345)	(669)	(429)	(369)	(11)	(71)	(1,549)
of which: staff expenses	(54)	(31)	(32)	(3)	(76)	(196)	(224)	(128)	(128)	(12)	(289)	(781)
Operating profit/(loss)	41	115	190	1	4	351	188	176	723	2	955	2,044
Share of profit in associates and joint ventures	—	—	—	—	114	114	—	—	—	—	283	283
Profit/(loss) before tax	41	115	190	1	118	465	188	176	723	2	1,238	2,327
Significant items - Totals												
Revenue	—	—	—	—	—	—	—	—	—	828	828	
ECL	—	—	—	—	—	—	—	—	—	—	—	
Operating expenses	—	—	(1)	—	—	(1)	(4)	(99)	(3)	(6)	(112)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	
	At 31 Mar 2019						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	6,190	10,955	12,191	—	—	29,336	6,217	11,829	11,909	—	—	29,955
Loans and advances to customers (net)	5,798	9,948	12,077	—	—	27,823	5,918	10,860	11,778	—	—	28,556
Total external assets	5,933	10,929	16,277	3	21,944	55,086	6,092	11,952	15,753	3	28,062	61,862
Customer accounts	18,219	7,756	9,966	—	—	35,941	18,467	8,863	10,795	—	1	38,126
Income statement Metrics - Reported												
Cost efficiency ratio	72.2%	43.9%	30.9%	75.0%	81.5%	49.1%	74.3%	63.9%	33.6%	84.6%	6.9%	41.8%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	72.2%	43.9%	30.5%	75.0%	81.5%	49.0%	73.8%	49.2%	33.4%	84.6%	32.5%	49.9%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	828	828
Fair value movements on financial instruments	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(97)	—	—	—	(97)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	(1)	—	—	(1)	(4)	(2)	(3)	(6)	(15)	
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	309	327	111	30	—	777	316	323	126	29	(12)	782
Net fee income/(expense)	106	128	209	15	(6)	452	109	131	203	18	(3)	458
Net income from financial instruments held for trading or managed on a fair value basis	8	12	363	2	(116)	269	(37)	10	227	1	20	221
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(9)	—	(1)	(10)	—	—	3	—	4	7
Other income	13	3	38	1	161	216	7	(8)	31	—	105	135
Net operating income before change in expected credit losses and other credit impairment charges	436	470	712	48	38	1,704	395	456	590	48	114	1,603
Change in expected credit losses and other credit impairment charges	(162)	(219)	(126)	—	(1)	(508)	(39)	(41)	(19)	—	2	(97)
Net operating income	274	251	586	48	37	1,196	356	415	571	48	116	1,506
Total operating expenses	(445)	(235)	(364)	(51)	(211)	(1,306)	(459)	(244)	(408)	(484)	(189)	(1,784)
of which: staff expenses	(167)	(99)	(146)	(20)	(220)	(652)	(156)	(97)	(136)	(20)	(199)	(608)
Operating profit/(loss)	(171)	16	222	(8)	(174)	(110)	(103)	171	163	(436)	(73)	(278)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(171)	16	222	(8)	(174)	(110)	(103)	171	163	(436)	(73)	(278)
Significant items - Totals												
Revenue	(6)	—	13	—	8	15	(48)	—	(1)	—	(7)	(56)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(8)	—	(4)	(1)	(103)	(116)	(4)	(1)	(6)	(433)	(49)	(493)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	40,271	51,591	25,896	6,057	—	123,815	41,968	46,968	19,109	6,029	—	114,074
Loans and advances to customers (net)	39,827	51,208	25,768	6,055	—	122,858	41,657	46,743	19,047	6,027	—	113,474
Total external assets	41,611	54,829	212,466	7,177	119,763	435,846	43,570	50,189	151,730	6,933	95,613	348,035
Customer accounts	65,625	49,010	29,952	7,877	1,429	153,893	65,164	48,508	24,812	6,408	1,784	146,676
Income statement Metrics - Reported												
Cost efficiency ratio	102.1%	50.0%	51.1%	106.3%	555.3%	76.6%	116.2%	53.5%	69.2%	1,008.3%	161.5%	111.1%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	98.9%	50.0%	51.5%	104.2%	360.0%	70.5%	102.7%	53.3%	68.0%	106.3%	112.9%	77.7%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(6)	—	—	—	(1)	(7)	(48)	—	—	—	(7)	(55)
Fair value movements on financial instruments	—	—	13	—	—	13	—	—	(1)	—	—	(1)
Restructuring and other related costs	—	—	—	—	9	9	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	(431)	—	(431)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(8)	—	(4)	(1)	(103)	(116)	(4)	(1)	(6)	(2)	(49)	(62)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

HSBC
North America

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	326	337	66	30	16	775	337	327	117	36	15	832
Net fee income/(expense)	107	127	189	18	2	443	111	121	238	17	(8)	479
Net income from financial instruments held for trading or managed on a fair value basis	9	11	216	1	4	241	14	8	154	1	15	192
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	2	—	7	9	—	—	8	—	5	13
Other income	14	5	45	—	85	149	15	5	45	1	109	175
Net operating income before change in expected credit losses and other credit impairment charges	456	480	518	49	114	1,617	477	461	562	55	136	1,691
Change in expected credit losses and other credit impairment charges	(56)	(25)	1	—	—	(80)	(20)	(27)	(8)	(2)	—	(57)
Net operating income	400	455	519	49	114	1,537	457	434	554	53	136	1,634
Total operating expenses	(455)	(235)	(388)	(51)	(111)	(1,240)	(474)	(234)	(404)	(57)	(96)	(1,265)
of which: staff expenses	(158)	(97)	(140)	(19)	(208)	(622)	(166)	(100)	(159)	(24)	(224)	(673)
Operating profit/(loss)	(55)	220	131	(2)	3	297	(17)	200	150	(4)	40	369
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(55)	220	131	(2)	3	297	(17)	200	150	(4)	40	369
Significant items - Totals												
Revenue	(4)	—	2	—	(2)	(4)	—	—	(4)	—	—	(4)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(3)	(1)	(5)	—	(7)	(16)	(5)	(1)	(4)	(1)	(19)	(30)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	40,911	45,742	19,939	5,912	—	112,504	40,225	44,961	22,208	5,804	—	113,198
Loans and advances to customers (net)	40,618	45,549	19,886	5,910	—	111,963	39,967	44,772	22,152	5,802	—	112,693
Total external assets	42,662	51,116	179,737	7,134	103,661	384,310	42,014	50,336	201,767	7,005	99,609	400,731
Customer accounts	62,521	43,262	27,378	7,704	1,916	142,781	61,123	41,293	23,486	7,212	2,286	135,400
Income statement Metrics - Reported												
Cost efficiency ratio	99.8%	49.0%	74.9%	104.1%	97.4%	76.7%	99.4%	50.8%	71.9%	103.6%	72.2%	74.9%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	98.3%	48.8%	74.2%	104.1%	89.7%	75.5%	98.3%	50.5%	70.7%	101.8%	57.9%	73.0%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(4)	—	—	—	—	(4)	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	2	—	(2)	—	—	—	(4)	—	—	(4)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(3)	(1)	(5)	—	(7)	(16)	(5)	(1)	(4)	(1)	(19)	(30)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	335	323	131	36	27	852	1,314	1,310	440	131	46	3,241
Net fee income/(expense)	98	121	195	15	(5)	424	425	500	825	68	(14)	1,804
Net income from financial instruments held for trading or managed on a fair value basis	8	8	209	1	(7)	219	(6)	37	806	4	32	873
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(2)	—	4	2	—	—	11	—	20	31
Other income	13	5	48	1	112	179	49	7	169	2	411	638
Net operating income before change in expected credit losses and other credit impairment charges	454	457	581	53	131	1,676	1,782	1,854	2,251	205	495	6,587
Change in expected credit losses and other credit impairment charges	(22)	3	16	1	(1)	(3)	(137)	(90)	(10)	(1)	1	(237)
Net operating income	432	460	597	54	130	1,673	1,645	1,764	2,241	204	496	6,350
Total operating expenses	(478)	(244)	(433)	(54)	(85)	(1,294)	(1,866)	(957)	(1,633)	(646)	(481)	(5,583)
of which: staff expenses	(161)	(100)	(169)	(23)	(242)	(695)	(641)	(394)	(604)	(86)	(873)	(2,598)
Operating profit/(loss)	(46)	216	164	—	45	379	(221)	807	608	(442)	15	767
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(46)	216	164	—	45	379	(221)	807	608	(442)	15	767
Significant items - Totals												
Revenue	—	—	(3)	—	(1)	(4)	(52)	—	(6)	—	(10)	(68)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	(1)	(3)	—	(1)	(5)	(12)	(4)	(18)	(434)	(76)	(544)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	39,502	42,794	22,574	5,531	—	110,401	41,968	46,968	19,109	6,029	—	114,074
Loans and advances to customers (net)	39,246	42,621	22,527	5,529	—	109,923	41,657	46,743	19,047	6,027	—	113,474
Total external assets	41,214	48,034	186,946	6,731	102,738	385,663	43,570	50,189	151,730	6,933	95,613	348,035
Customer accounts	59,439	39,482	21,152	7,530	2,331	129,934	65,164	48,508	24,812	6,408	1,784	146,676
Income statement Metrics - Reported												
Cost efficiency ratio	105.3%	53.4%	74.5%	101.9%	64.9%	77.2%	104.7%	51.6%	72.5%	315.1%	97.2%	84.8%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	105.3%	53.2%	73.6%	101.9%	63.6%	76.7%	101.1%	51.4%	71.6%	103.4%	80.2%	75.7%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	(52)	—	—	—	(7)	(59)
Fair value movements on financial instruments	—	—	(3)	—	(1)	(4)	—	—	(6)	—	(3)	(9)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	(431)	—	(431)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	(1)	(3)	—	(1)	(5)	(12)	(4)	(18)	(3)	(76)	(113)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	192	200	80	30	(7)	495	193	193	96	29	(15)	496
Net fee income/(expense)	55	57	186	15	(6)	307	60	61	175	18	(3)	311
Net income from financial instruments held for trading or managed on a fair value basis	—	3	362	2	(123)	244	(44)	2	205	1	13	177
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(10)	—	—	(10)	—	—	3	—	3	6
Other income	10	—	37	1	142	190	4	(12)	30	—	94	116
Net operating income before change in expected credit losses and other credit impairment charges	257	260	655	48	6	1,226	213	244	509	48	92	1,106
Change in expected credit losses and other credit impairment charges	(140)	(123)	(115)	—	—	(378)	(30)	(21)	(18)	—	1	(68)
Net operating income	117	137	540	48	6	848	183	223	491	48	93	1,038
Total operating expenses	(303)	(147)	(329)	(51)	(195)	(1,025)	(315)	(155)	(380)	(54)	(174)	(1,078)
<i>of which: staff expenses</i>	<i>(113)</i>	<i>(65)</i>	<i>(132)</i>	<i>(20)</i>	<i>(165)</i>	<i>(495)</i>	<i>(104)</i>	<i>(65)</i>	<i>(128)</i>	<i>(20)</i>	<i>(157)</i>	<i>(474)</i>
Operating profit/(loss)	(186)	(10)	211	(3)	(189)	(177)	(132)	68	111	(6)	(81)	(40)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(186)	(10)	211	(3)	(189)	(177)	(132)	68	111	(6)	(81)	(40)
Significant items - Totals												
Revenue	(7)	—	10	—	10	13	(48)	—	(1)	—	(6)	(55)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(8)	—	(1)	(1)	(102)	(112)	(2)	—	(6)	(2)	(44)	(54)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	17,976	30,480	22,047	6,057	—	76,560	17,798	24,473	15,574	6,029	—	63,874
Loans and advances to customers (net)	17,691	30,315	21,933	6,055	—	75,994	17,631	24,406	15,524	6,027	—	63,588
Total external assets	18,773	31,573	194,709	7,540	99,966	346,561	18,866	25,766	138,556	7,296	71,439	261,923
Customer accounts	38,261	30,173	23,400	7,877	3	99,714	36,618	28,998	18,807	6,408	3	90,834
Income Statement Metrics												
Cost efficiency ratio	117.9%	56.5%	50.2%	106.3%	3,250.0%	83.6%	147.9%	63.5%	74.7%	112.5%	189.1%	97.5%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	111.7%	56.5%	50.9%	104.2%	(2,325.0)%	75.3%	119.9%	63.5%	73.3%	108.3%	132.7%	88.2%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(7)	—	—	—	—	(7)	(48)	—	—	—	(6)	(54)
Fair value movements on financial instruments	—	—	10	—	—	10	—	—	(1)	—	—	(1)
Restructuring and other related costs	—	—	—	—	10	10	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(8)	—	(1)	(1)	(102)	(112)	(2)	—	(6)	(2)	(44)	(54)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	206	204	31	30	11	482	215	198	90	36	7	546
Net fee income/(expense)	58	59	164	18	2	301	61	55	210	17	(9)	334
Net income from financial instruments held for trading or managed on a fair value basis	3	3	207	1	(1)	213	7	—	140	1	10	158
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	2	—	7	9	—	—	8	—	5	13
Other income	12	2	44	—	73	131	13	2	45	1	92	153
Net operating income before change in expected credit losses and other credit impairment charges	279	268	448	49	92	1,136	296	255	493	55	105	1,204
Change in expected credit losses and other credit impairment charges	(51)	(18)	2	—	1	(66)	(12)	(9)	(2)	(2)	—	(25)
Net operating income	228	250	450	49	93	1,070	284	246	491	53	105	1,179
Total operating expenses	(311)	(145)	(353)	(51)	(106)	(966)	(324)	(143)	(369)	(57)	(85)	(978)
of which: staff expenses	(105)	(61)	(126)	(19)	(156)	(467)	(115)	(66)	(145)	(24)	(165)	(515)
Operating profit/(loss)	(83)	105	97	(2)	(13)	104	(40)	103	122	(4)	20	201
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(83)	105	97	(2)	(13)	104	(40)	103	122	(4)	20	201
Significant items - Totals												
Revenue	(4)	—	1	—	(2)	(5)	—	—	(3)	—	—	(3)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(3)	—	(5)	—	(5)	(13)	(5)	(1)	(2)	(1)	(14)	(23)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	17,496	26,196	16,639	5,912	—	66,243	17,148	25,501	18,813	5,804	—	67,266
Loans and advances to customers (net)	17,343	26,130	16,602	5,910	—	65,985	17,027	25,439	18,774	5,802	(1)	67,041
Total external assets	18,596	27,773	165,654	7,066	77,701	296,790	18,169	26,775	186,429	6,937	73,842	312,152
Customer accounts	34,871	25,334	21,830	7,704	3	89,742	33,602	23,427	17,759	7,212	260	82,260
Income Statement Metrics												
Cost efficiency ratio	111.5%	54.1%	78.8%	104.1%	115.2%	85.0%	109.5%	56.1%	74.8%	103.6%	81.0%	81.2%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	108.8%	54.1%	77.9%	104.1%	107.4%	83.5%	107.8%	55.7%	74.0%	101.8%	67.6%	79.1%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(4)	—	—	—	—	(4)	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	1	—	(2)	(1)	—	—	(3)	—	—	(3)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(3)	—	(5)	—	(5)	(13)	(5)	(1)	(2)	(1)	(14)	(23)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	218	193	106	36	10	563	832	788	323	131	13	2,087
Net fee income/(expense)	53	56	173	15	(5)	292	232	231	722	68	(15)	1,238
Net income from financial instruments held for trading or managed on a fair value basis	2	1	180	1	(9)	175	(32)	6	732	4	13	723
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	(2)	—	4	2	—	—	11	—	19	30
Other income	11	2	47	1	99	160	40	(6)	166	2	358	560
Net operating income before change in expected credit losses and other credit impairment charges	284	252	504	53	99	1,192	1,072	1,019	1,954	205	388	4,638
Change in expected credit losses and other credit impairment charges	(22)	(6)	17	1	—	(10)	(115)	(54)	(1)	(1)	1	(170)
Net operating income	262	246	521	54	99	1,182	957	965	1,953	204	389	4,468
Total operating expenses	(328)	(154)	(400)	(54)	(75)	(1,011)	(1,278)	(597)	(1,502)	(216)	(440)	(4,033)
of which: staff expenses	(108)	(64)	(155)	(23)	(182)	(532)	(432)	(256)	(554)	(86)	(660)	(1,988)
Operating profit/(loss)	(66)	92	121	—	24	171	(321)	368	451	(12)	(51)	435
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) before tax	(66)	92	121	—	24	171	(321)	368	451	(12)	(51)	435
Significant items - Totals												
Revenue	—	—	(2)	—	(1)	(3)	(52)	—	(5)	—	(9)	(66)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	(1)	(1)	—	(1)	(3)	(10)	(2)	(14)	(3)	(64)	(93)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	16,997	24,439	19,162	5,531	—	66,129	17,798	24,473	15,574	6,029	—	63,874
Loans and advances to customers (net)	16,876	24,384	19,127	5,529	—	65,916	17,631	24,406	15,524	6,027	—	63,588
Total external assets	17,997	25,641	173,320	6,663	77,578	301,199	18,866	25,766	138,556	7,296	71,439	261,923
Customer accounts	33,455	22,229	15,586	7,530	150	78,950	36,618	28,998	18,807	6,408	3	90,834
Income Statement Metrics												
Cost efficiency ratio	115.5%	61.1%	79.4%	101.9%	75.8%	84.8%	119.2%	58.6%	76.9%	105.4%	113.4%	87.0%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	115.5%	60.7%	78.9%	101.9%	74.0%	84.4%	112.8%	58.4%	76.0%	103.9%	94.7%	83.8%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	(52)	—	—	—	(6)	(58)
Fair value movements on financial instruments	—	—	(2)	—	(1)	(3)	—	—	(5)	—	(3)	(8)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	(1)	(1)	—	(1)	(3)	(10)	(2)	(14)	(3)	(64)	(93)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2020						Quarter ended 31 Dec 2019						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Net interest income/(expense)	361	128	67	—	(43)	513	381	144	80	—	(91)	514	
Net fee income/(expense)	91	20	16	—	(1)	126	93	21	24	—	5	143	
Net income from financial instruments held for trading or managed on a fair value basis	21	6	65	—	144	236	23	7	81	—	175	286	
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(6)	1	—	—	—	(5)	36	4	—	—	—	40	
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	5	—	—	—	—	5	10	1	—	—	(24)	(13)	
Other income/(expense) ¹	(13)	2	1	—	(2)	(12)	(9)	4	3	—	(29)	(31)	
Net operating income before change in expected credit losses and other credit impairment charges	459	157	149	—	98	863	534	181	188	—	36	939	
Change in expected credit losses and other credit impairment charges	(236)	(52)	(29)	—	—	(317)	(203)	(28)	3	—	(47)	(275)	
Net operating income	223	105	120	—	98	546	331	153	191	—	(11)	664	
Total operating expenses	(323)	(88)	(62)	—	(7)	(480)	(343)	(435)	(69)	—	(88)	(935)	
of which: staff expenses	(97)	(22)	(15)	—	(55)	(189)	(110)	(23)	(15)	—	(47)	(195)	
Operating profit/(loss)	(100)	17	58	—	91	66	(12)	(282)	122	—	(99)	(271)	
Share of profit in associates and joint ventures	1	—	—	—	—	1	2	—	—	—	—	2	
Profit/(loss) before tax	(99)	17	58	—	91	67	(10)	(282)	122	—	(99)	(269)	
Significant items - Totals													
Revenue	—	—	15	—	1	16	—	—	(2)	—	—	(2)	
ECL	—	—	—	—	—	—	—	—	—	—	—	—	
Operating expenses	—	—	—	—	—	—	(16)	(338)	(1)	—	(4)	(359)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—	
Balance sheet data													
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Loans and advances to customers (gross)	6,912	6,635	7,324	—	24	20,895	8,455	7,738	7,822	—	6	24,021	
Loans and advances to customers (net)	6,353	6,397	7,266	—	24	20,040	7,836	7,506	7,790	—	4	23,136	
Total external assets	11,308	8,666	18,234	—	6,462	44,670	13,221	10,027	19,907	—	6,750	49,905	
Customer accounts	10,570	7,502	4,685	—	417	23,174	13,393	8,191	6,256	—	397	28,237	
Income statement Metrics - Reported													
Cost efficiency ratio	70.4%	56.1%	41.6%	—%	7.1%	55.6%	64.2%	240.3%	36.7%	—%	244.4%	99.6%	
Income Statement metrics - Adjusted as originally reported													
Adjusted cost efficiency ratio	70.4%	56.1%	46.3%	—%	7.2%	56.7%	61.2%	53.6%	35.8%	—%	233.3%	61.2%	
Revenue													
Significant items													
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—	
Fair value movements on financial instruments	—	—	15	—	1	16	—	—	(3)	—	—	(3)	
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—	
Operating expenses													
Significant items													
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—	
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—	
Goodwill impairment	—	—	—	—	—	—	—	(337)	—	—	—	(337)	
Restructuring and other related costs	—	—	—	—	—	—	(16)	(1)	(1)	—	(3)	(21)	
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—	
Other Items													
Loss on net monetary position ¹	—	—	—	—	(18)	(18)	—	—	—	—	(30)	(30)	

¹ Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of \$19m, comprising an decrease in revenue of \$22m, a decrease in ECL of \$2m and an decrease in operating expenses of \$1m.

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	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	382	140	72	—	(124)	470	381	147	71	—	(31)	568
Net fee income/(expense)	100	21	25	—	(9)	137	98	18	17	—	4	137
Net income from financial instruments held for trading or managed on a fair value basis	92	21	31	—	51	195	5	5	73	—	104	187
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	(39)	(11)	—	—	1	(49)	7	—	—	—	1	8
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	(7)	2	—	—	(15)	(20)	14	3	1	—	9	27
Other income/(expense) ¹	(55)	(8)	—	—	7	(56)	25	10	—	—	(33)	2
Net operating income before change in expected credit losses and other credit impairment charges	473	165	128	—	(87)	679	530	183	162	—	54	929
Change in expected credit losses and other credit impairment charges	(168)	(53)	(20)	—	10	(231)	(95)	(24)	3	—	(3)	(319)
Net operating income	305	112	108	—	(79)	446	435	159	165	—	51	810
Total operating expenses	(328)	(86)	(68)	—	37	(445)	(341)	(87)	(64)	—	(38)	(530)
<i>of which: staff expenses</i>	(97)	(22)	(17)	—	(54)	(190)	(100)	(21)	(18)	—	(64)	(203)
Operating profit/(loss)	(23)	26	40	—	(42)	1	94	72	101	—	13	280
Share of profit in associates and joint ventures	2	—	—	—	—	2	7	1	1	—	—	9
Profit/(loss) before tax	(21)	26	40	—	(42)	3	101	73	102	—	13	289
Significant items - Totals												
Revenue	—	—	2	—	—	2	—	—	(2)	—	(1)	(3)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(2)	—	—	—	(3)	(5)	(3)	(1)	(1)	—	(4)	(9)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 30 Sep 2019						At 30 Jun 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	7,792	7,526	8,119	—	5	23,442	7,824	7,486	8,983	—	5	24,298
Loans and advances to customers (net)	7,234	7,290	8,083	—	4	22,611	7,257	7,227	8,951	—	5	23,440
Total external assets	12,307	9,911	17,122	—	8,604	47,944	12,922	10,050	18,887	—	9,462	51,321
Customer accounts	11,911	7,601	4,737	—	512	24,761	13,180	7,981	4,041	—	1,254	26,456
Income statement Metrics - Reported												
Cost efficiency ratio	69.3%	52.1%	53.1%	—%	41.6%	65.7%	64.3%	47.5%	39.5%	—%	70.4%	57.1%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	68.9%	52.1%	54.0%	—%	43.8%	65.3%	63.8%	47.0%	38.4%	—%	61.8%	55.9%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Fair value movements on financial instruments	—	—	2	—	—	2	—	—	(2)	—	—	(2)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(2)	—	—	—	(2)	(4)	(3)	(1)	(1)	—	(4)	(9)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—
Other Items												
Loss on net monetary position ¹	—	—	—	—	(11)	(11)	—	—	—	—	(44)	(44)
<i>1 Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of \$19m, comprising an decrease in revenue of \$22m, a decrease in ECL of \$2m and an decrease in operating expenses of \$1m.</i>												

HSBC
Latin America

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	368	135	83	—	(78)	508	1,512	566	306	—	(323)	2,061
Net fee income/(expense)	83	25	17	—	(2)	123	374	85	83	—	(2)	540
Net income from financial instruments held for trading or managed on a fair value basis	58	13	58	—	—	86	178	46	243	—	416	883
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	15	2	—	—	(2)	15	19	(5)	—	—	—	14
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	48	1	—	—	(2)	47	65	7	1	—	(32)	41
Other income/(expense) ¹	66	19	2	—	(24)	63	27	25	5	—	(80)	(23)
Net operating income before change in expected credit losses and other credit impairment charges	638	195	160	—	(22)	971	2,175	724	638	—	(21)	3,516
Change in expected credit losses and other credit impairment charges	(100)	(16)	—	—	1	(115)	(566)	(121)	(14)	—	(39)	(740)
Net operating income	538	179	160	—	(21)	856	1,609	603	624	—	(60)	2,776
Total operating expenses	(324)	(86)	(65)	—	(4)	(479)	(1,336)	(694)	(266)	—	(93)	(2,389)
of which: staff expenses	(96)	(21)	(17)	—	(61)	(195)	(403)	(87)	(67)	—	(226)	(783)
Operating profit/(loss)	214	93	95	—	(25)	377	273	(91)	358	—	(153)	387
Share of profit in associates and joint ventures	—	—	—	—	—	—	11	1	1	—	—	13
Profit/(loss) before tax	214	93	95	—	(25)	377	284	(90)	359	—	(153)	400
Significant items - Totals												
Revenue	—	—	(7)	—	—	(7)	—	—	(9)	—	(1)	(10)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	(1)	—	(1)	(3)	(22)	(339)	(3)	—	(11)	(375)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
	At 31 Mar 2019						At 31 Dec 2019					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	7,395	7,253	8,091	—	3	22,742	8,455	7,738	7,822	—	6	24,021
Loans and advances to customers (net)	6,826	7,014	8,053	—	3	21,896	7,836	7,506	7,790	—	4	23,136
Total external assets	12,565	9,848	18,498	—	9,561	50,472	13,221	10,027	19,907	—	6,750	49,905
Customer accounts	12,932	7,490	5,661	—	528	26,611	13,393	8,191	6,256	—	397	28,237
Income statement Metrics - Reported												
Cost efficiency ratio	50.8%	44.1%	40.6%	—%	(18.2)%	49.3%	61.4%	95.9%	41.7%	—%	(442.9)%	67.9%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	50.7%	44.1%	36.0%	—%	(19.0)%	48.5%	60.8%	65.3%	40.1%	—%	(920.0)%	61.1%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Fair value movements on financial instruments	—	—	(7)	—	—	(7)	—	—	(10)	—	—	(10)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	(337)	—	—	—	(337)
Restructuring and other related costs	(1)	—	(1)	—	(1)	(3)	(22)	(2)	(3)	—	(10)	(37)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—
Other Items												
Loss on net monetary position ¹	—	—	—	—	(34)	(34)	—	—	—	—	(136)	(136)

¹ Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of \$19m, comprising an decrease in revenue of \$22m, a decrease in ECL of \$2m and an decrease in operating expenses of \$1m.

Quarter ended 31 Mar 2020						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	307	76	18	—	376	—
Net fee income	82	10	10	—	102	—
Net income from financial instruments held for trading or managed on a fair value basis	9	2	24	—	93	128
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—
Other income	6	4	—	—	22	32
Net operating income before change in expected credit losses and other credit impairment charges	404	92	52	—	90	638
Change in expected credit losses and other credit impairment charges	(181)	(48)	(27)	—	(3)	(259)
Net operating income	223	44	25	—	87	379
Total operating expenses	(246)	(55)	(33)	—	(9)	(343)
of which: staff expenses	(70)	(13)	(7)	—	(43)	(133)
Operating profit/(loss)	(23)	(11)	(8)	—	78	36
Share of profit in associates and joint ventures	1	—	—	—	—	1
Profit/(loss) before tax	(22)	(11)	(8)	—	78	37

Significant items - Totals

Revenue	—	—	11	—	1	12
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	6,261	5,435	6,412	—	—	18,108
Loans and advances to customers (net)	5,736	5,289	6,370	—	—	17,395
Total external assets	9,085	6,847	15,143	—	3,656	34,731
Customer accounts	8,607	6,195	2,892	—	352	18,046

Income Statement Metrics

Cost efficiency ratio	60.9%	59.8%	63.5%	—%	10.0%	53.8%
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Income Statement metrics - Adjusted as originally reported

Adjusted cost efficiency ratio	60.9%	59.8%	80.5%	—%	10.1%	54.8%
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Revenue

Significant items

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	11	—	1	12
Restructuring and other related costs	—	—	—	—	—	—

Operating expenses

Significant items

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

Quarter ended 31 Dec 2019						
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	318	83	17	—	(52)	366
Net fee income	87	11	18	—	—	116
Net income from financial instruments held for trading or managed on a fair value basis	10	3	59	—	61	133
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—
Other income	8	3	1	—	10	22
Net operating income before change in expected credit losses and other credit impairment charges	423	100	95	—	19	637
Change in expected credit losses and other credit impairment charges	(136)	(12)	(3)	—	—	(145)
Net operating income	287	88	98	—	19	492
Total operating expenses	(251)	(58)	(34)	—	(19)	(362)
of which: staff expenses	(78)	(14)	(6)	—	(47)	(145)
Operating profit/(loss)	36	30	64	—	—	130
Share of profit in associates and joint ventures	2	—	—	—	—	2
Profit/(loss) before tax	38	30	64	—	—	132

Significant items - Totals

Revenue	—	—	(2)	—	—	(2)
ECL	—	—	—	—	—	—
Operating expenses	(9)	—	—	—	(2)	(11)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Balance sheet data

	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	7,736	6,480	6,956	—	—	21,172
Loans and advances to customers (net)	7,153	6,341	6,931	—	—	20,426
Total external assets	11,185	8,547	16,801	—	4,374	40,907
Customer accounts	11,456	6,965	4,276	—	354	23,051

Income Statement Metrics

Cost efficiency ratio	59.3%	58.0%	35.8%	—%	100.0%	56.8%
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Income Statement metrics - Adjusted as originally reported

Adjusted cost efficiency ratio	57.2%	58.0%	35.1%	—%	89.5%	54.9%
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Revenue

Significant items

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(2)	—	—	(2)
Restructuring and other related costs	—	—	—	—	—	—

Operating expenses

Significant items

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—
Restructuring and other related costs	(9)	—	—	—	(2)	(11)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

	Quarter ended 30 Sep 2019						Quarter ended 30 Jun 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	301	79	19	—	(43)	356	291	88	23	—	(36)	366
Net fee income	91	10	23	—	—	124	86	8	12	—	—	106
Net income from financial instruments held for trading or managed on a fair value basis	9	2	53	—	53	117	5	3	43	—	43	94
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Other income	33	5	(1)	—	13	50	26	9	(1)	—	14	48
Net operating income before change in expected credit losses and other credit impairment charges	434	96	94	—	23	647	408	108	77	—	21	614
Change in expected credit losses and other credit impairment charges	(124)	(19)	(6)	—	1	(148)	(84)	(18)	2	—	—	(100)
Net operating income	310	77	88	—	24	499	324	90	79	—	21	514
Total operating expenses	(244)	(50)	(34)	—	(14)	(342)	(257)	(51)	(34)	—	(10)	(352)
of which: staff expenses	(68)	(13)	(7)	—	(43)	(131)	(71)	(13)	(8)	—	(47)	(139)
Operating profit/(loss)	66	27	54	—	10	157	67	39	45	—	11	162
Share of profit in associates and joint ventures	2	—	—	—	—	2	7	1	1	—	—	9
Profit/(loss) before tax	68	27	54	—	10	159	74	40	46	—	11	171
Significant items - Totals												
Revenue	—	—	2	—	—	2	—	—	(2)	—	—	(2)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	(1)	—	—	—	(2)	(3)	—	—	—	—	(3)	(3)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	7,101	6,178	7,264	—	—	20,543	6,983	5,953	7,917	—	(1)	20,852
Loans and advances to customers (net)	6,580	6,038	7,236	—	(1)	19,853	6,467	5,773	7,888	—	—	20,128
Total external assets	10,325	8,058	14,585	—	6,755	39,723	10,468	7,922	16,463	—	6,389	41,242
Customer accounts	9,928	6,311	3,243	—	456	19,938	10,321	6,530	2,430	—	1,156	20,437
Income Statement Metrics												
Cost efficiency ratio	56.2%	52.1%	36.2%	—%	60.9%	52.9%	63.0%	47.2%	44.2%	—%	47.6%	57.3%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	56.0%	52.1%	37.0%	—%	52.2%	52.6%	63.0%	47.2%	43.0%	—%	33.3%	56.7%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	2	—	—	2	—	—	(2)	—	—	(2)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	(2)	(3)	—	—	—	—	(3)	(3)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

	Quarter ended 31 Mar 2019						Year to date 31 Dec 2019					
	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total	Retail Banking and Wealth Management	Commercial Banking	Global Banking and Markets	Global Private Banking	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income/(expense)	293	82	46	—	(46)	375	1,203	332	105	—	(177)	1,463
Net fee income	68	13	14	—	—	95	332	42	67	—	—	441
Net income from financial instruments held for trading or managed on a fair value basis	6	2	24	—	48	80	30	10	179	—	205	424
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—
Other income	67	27	1	—	12	107	134	44	—	—	49	227
Net operating income before change in expected credit losses and other credit impairment charges	434	124	85	—	14	657	1,699	428	351	—	77	2,555
Change in expected credit losses and other credit impairment charges	(93)	(6)	1	—	—	(98)	(437)	(55)	—	—	1	(491)
Net operating income	341	118	86	—	14	559	1,262	373	351	—	78	2,064
Total operating expenses	(241)	(51)	(34)	—	(8)	(334)	(993)	(210)	(136)	—	(51)	(1,390)
of which: staff expenses	(69)	(13)	(9)	—	(45)	(136)	(286)	(53)	(30)	—	(182)	(551)
Operating profit/(loss)	100	67	52	—	6	225	269	163	215	—	27	674
Share of profit in associates and joint ventures	—	—	—	—	—	—	11	1	1	—	—	13
Profit/(loss) before tax	100	67	52	—	6	225	280	164	216	—	27	687
Significant items - Totals												
Revenue	—	—	(5)	—	—	(5)	—	—	(7)	—	—	(7)
ECL	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses	—	—	(1)	—	(1)	(2)	(10)	—	(1)	—	(8)	(19)
Share of profit in associates and joint ventures	—	—	—	—	—	—	—	—	—	—	—	—
Balance sheet data												
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (gross)	6,558	5,838	7,158	—	—	19,554	7,736	6,480	6,956	—	—	21,172
Loans and advances to customers (net)	6,036	5,673	7,123	—	—	18,832	7,153	6,341	6,931	—	—	20,426
Total external assets	10,095	7,859	16,215	—	6,666	40,835	11,185	8,547	16,801	—	4,374	40,907
Customer accounts	10,216	6,123	4,050	—	442	20,831	11,456	6,965	4,276	—	354	23,051
Income Statement Metrics												
Cost efficiency ratio	55.5%	41.1%	40.0%	—%	57.1%	50.8%	58.4%	49.1%	38.7%	—%	66.2%	54.4%
Income Statement metrics - Adjusted as originally reported												
Adjusted cost efficiency ratio	55.5%	41.1%	36.7%	—%	50.0%	50.2%	57.9%	49.1%	37.7%	—%	55.8%	53.5%
Revenue												
Significant items												
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	(5)	—	—	(5)	—	—	(7)	—	—	(7)
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Operating expenses												
Significant items												
Costs of structural reform	—	—	—	—	—	—	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	(1)	—	(1)	(2)	(10)	—	(1)	—	(8)	(19)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	—	—	—	—	—	—

HSBC Risk-weighted assets

Risk-weighted assets by global business¹

	Quarter ended				
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2020	2019	2019	2019	2019
	\$bn	\$bn	\$bn	\$bn	\$bn
Retail Banking and Wealth Management	131.3	134.0	127.9	129.0	126.5
Commercial Banking	316.8	316.7	317.3	327.6	325.4
Global Banking and Markets	269.1	258.2	276.8	284.5	285.5
Global Private Banking	14.1	14.0	16.2	16.5	16.8
Corporate Centre	125.8	120.5	127.0	128.4	125.3
Total	857.1	843.4	865.2	886.0	879.5

Risk-weighted assets by geographical regions^{1,2}

	Quarter ended				
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2020	2019	2019	2019	2019
	\$bn	\$bn	\$bn	\$bn	\$bn
Total	857.1	843.4	865.2	886.0	879.5
Europe	280.6	281.0	295.0	309.4	306.3
Asia	373.5	366.4	364.7	371.7	366.8
Middle East and North Africa	59.1	57.5	57.5	57.5	56.3
North America	133.1	122.0	131.1	133.5	133.8
Latin America	32.9	38.4	40.6	40.3	39.5
Hong Kong	194.7	187.2	186.7	189.6	187.1
United Kingdom	205.4	203.9	216.6	226.5	225.5
Mainland China	74.6	73.3	71.9	74.1	72.7
United States	101.3	89.4	97.7	99.3	100.5
Mexico	24.2	29.0	29.4	29.3	28.7
HSBC UK Bank plc consolidated ³	109.4	113.5	109.2	118.0	121.2
HSBC Bank plc consolidated ³	172.1	165.8	182.4	189.3	187.5

¹ Figures are calculated using the EU's regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation.

² RWAs are non-additive across geographical regions due to market risk diversification effects within the Group.

³ RWAs are non-additive across legal entities due to intra-Group RWAs.

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