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25 October 2021

(Hong Kong Stock Code: 5)

**HSBC Holdings plc**  
**3Q21 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, Rachel Duan†, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Eileen K Murray†, 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*

**25 OCTOBER 2021**

## **HSBC HOLDINGS PLC**

### **3Q21 EARNINGS RELEASE**

#### **Noel Quinn, Group Chief Executive, said:**

"We had a good third-quarter performance, with strong growth in profits supported by additional credit provision releases. Our strategy remains on track, with good delivery in all areas. This was reflected in more consistent top-line growth, robust lending pipelines across our businesses, and rising trade and mortgage balances.

While we retain a cautious outlook on the external risk environment, we believe that the lows of recent quarters are behind us. This confidence, together with our strong capital position, enables us to announce a share buyback of up to \$2bn, which we expect to commence shortly."

#### **Financial performance (vs. 3Q20)**

- **Reported profit after tax up \$2.2bn to \$4.2bn and reported profit before tax up \$2.3bn to \$5.4bn.** The increase was driven by a release of expected credit losses and other credit impairment charges ('ECL') and a higher share of profit from our associates.
- **All regions profitable in 3Q21, demonstrating continued earnings diversity.** Asia contributed \$3.3bn to Group reported profit before tax, while in HSBC UK reported profit before tax increased by \$1.0bn to \$1.5bn.
- **Reported revenue up 1% to \$12.0bn**, including a favourable foreign currency translation movement. **Adjusted revenue down 1% to \$12.2bn**, primarily reflecting unfavourable market impacts in life insurance manufacturing in Wealth and Personal Banking ('WPB') and lower revenue in Markets and Securities Services ('MSS'). Notwithstanding these factors, we have seen continued good performances in areas of strategic focus, including wealth and trade finance products.
- **Net interest margin ('NIM') of 1.19%** was broadly stable compared with 3Q20 and 2Q21.
- **Reported ECL were a net release of \$0.7bn, compared with a \$0.8bn ECL charge in 3Q20**, reflecting continued stability in economic conditions and better than expected levels of credit performance.
- **Reported and adjusted operating expenses were broadly unchanged** as increases, including growth in technology investment, were offset by the impact of our cost-saving initiatives.
- **Reported customer lending balances down \$20bn in the quarter**, including adverse foreign currency translation movements. On a constant currency basis, customer lending balances down \$6bn, mainly from the repayment of \$14bn of short-term borrowing to fund investments in initial public offerings in Hong Kong, partly offset by continued growth in mortgage balances of \$7bn.
- **Common equity tier 1 ('CET1') capital ratio of 15.9%, up 30 basis points ('bps') from 2021**, reflecting a reduction in risk-weighted assets ('RWAs'), partly offset by a decrease in CET1 capital, net of foreseeable dividends.

#### **Financial performance (vs. 9M20)**

- **Reported profit after tax up \$7.5bn to \$12.7bn and reported profit before tax up \$8.9bn to \$16.2bn.** Lower revenue was more than offset by net releases in ECL. Reported profit in 9M20 included an impairment of software intangibles of \$1.3bn, mainly in Europe, and our share of an impairment of goodwill recorded by an associate.
- **Reported revenue down 3% to \$37.6bn**, primarily reflecting 2020 interest rate reductions and lower revenue in MSS in Global Banking and Markets ('GBM'). These reductions were partly offset by net favourable movements in market impacts in life insurance manufacturing and valuation adjustments in GBM.
- **Reported ECL were a net release of \$1.4bn, compared with a \$7.6bn ECL charge in 9M20.** The net release in 9M21 primarily reflected an improvement in the economic outlook since 2020. The reduction also reflected low levels of stage 3 charges in 9M21, as well as the non-recurrence of a large charge in 9M20 related to a corporate exposure in Singapore.
- **Reported operating expenses up 2%** as a higher performance-related pay accrual and increased investment in technology were in part mitigated by the impact of our cost-saving initiatives.
- **Return on average tangible equity ('RoTE') (annualised) of 9.1%**, up 5.6 percentage points from 9M20.

#### **Outlook**

- We continue to make progress on our environmental, social and governance ('ESG') agenda, including our climate commitments announced in October 2020, and **work is ongoing to deliver on the commitments in the special resolution on climate change that was passed at the AGM in May 2021.**
- **The revenue outlook is becoming more positive**, with fee growth across many of our businesses and a stabilisation of net interest income, which we expect to begin to increase in the coming quarters from lending growth and earlier than anticipated policy rate rises.
- Given current consensus economics and default experience, **we expect a net release of ECL for 2021, with the potential for a further small net release of ECL in 4Q21, dependent on offsetting levels of stage 3 charges.** We now have around \$1.2bn remaining of the stage 1 and stage 2 ECL allowance uplift we made during 2020. We do not currently expect ECL charges to normalise towards our medium-term range of 30bps to 40bps of average loans until the second half of 2022.
- We continued to demonstrate strong cost control over the course of the year. Given inflationary pressures, continued investment and the impact and timing of recently announced acquisitions and disposals, **we now expect adjusted costs of approximately \$32bn for 2021 and 2022**, excluding the estimated UK bank levy charge of \$0.3bn. With an improved revenue outlook and the prospect of rising policy rates, **we remain committed to achieving a RoTE of greater than or equal to 10% over the medium term.**
- We remain well placed to fund growth and step up capital returns, and now intend to normalise our CET1 position to be within our 14% to 14.5% target operating range by the end of 2022. We intend to achieve this through a combination of growth and capital returns, as well as from an expected \$20bn to \$35bn uplift in RWAs in 2022 due to regulatory developments. **Given our strong capital position and notwithstanding growth opportunities available to us, we intend to initiate a share buyback of up to \$2bn, which we expect to commence shortly.**

## Earnings Release – 3Q21

### Key financial metrics

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Jun 2021	30 Sep 2020
<b>Reported results</b>					
Reported revenue (\$m)	37,563	38,672	12,012	12,565	11,927
Reported profit before tax (\$m)	16,242	7,392	5,403	5,060	3,074
Reported profit after tax (\$m)	12,664	5,164	4,242	3,854	2,039
Profit attributable to the ordinary shareholders of the parent company (\$m)	10,819	3,336	3,543	3,396	1,359
Cost efficiency ratio (%)	66.8	63.5	66.5	68.1	67.4
Basic earnings per share (\$)	0.54	0.17	0.18	0.17	0.07
Diluted earnings per share (\$)	0.53	0.16	0.17	0.17	0.07
Net interest margin (%)	1.20	1.35	1.19	1.20	1.20
<b>Alternative performance measures</b>					
Adjusted revenue (\$m)	37,998	39,971	12,201	12,395	12,374
Adjusted profit before tax (\$m)	17,946	10,053	5,996	5,508	4,398
Adjusted cost efficiency ratio (%)	62.7	58.3	62.2	64.0	61.5
Expected credit losses and other credit impairment charges ('ECL') (annualised) as % of average gross loans and advances to customers (%)	(0.18)	1.01	(0.25)	(0.11)	0.31
Return on average ordinary shareholders' equity (annualised) (%)	8.2	2.7	8.0	7.8	3.2
Return on average tangible equity (annualised) (%) <sup>1</sup>	9.1	3.5	8.7	8.6	2.9
				At	
			30 Sep 2021	30 Jun 2021	31 Dec 2020
<b>Balance sheet</b>					
Total assets (\$m)			2,968,791	2,976,005	2,984,164
Net loans and advances to customers (\$m)			1,039,677	1,059,511	1,037,987
Customer accounts (\$m)			1,687,982	1,669,091	1,642,780
Average interest-earning assets, year to date (\$m)			2,195,384	2,188,991	2,092,900
Loans and advances to customers as % of customer accounts (%)			61.6	63.5	63.2
Total shareholders' equity (\$m)			198,144	198,218	196,443
Tangible ordinary shareholders' equity (\$m)			157,711	157,985	156,423
Net asset value per ordinary share at period end (\$)²			8.70	8.69	8.62
Tangible net asset value per ordinary share at period end (\$)			7.81	7.81	7.75
<b>Capital, leverage and liquidity</b>					
Common equity tier 1 capital ratio (%)³			15.9	15.6	15.9
Risk-weighted assets (\$m)³			839,184	862,292	857,520
Total capital ratio (%)³			21.3	21.0	21.5
Leverage ratio (%)³			5.2	5.3	5.5
High-quality liquid assets (liquidity value) (\$bn)			664	659	678
Liquidity coverage ratio (%)			135	134	139
<b>Share count</b>					
Period end basic number of \$0.50 ordinary shares outstanding (millions)			20,201	20,223	20,184
Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)			20,296	20,315	20,272
Average basic number of \$0.50 ordinary shares outstanding (millions)			20,212	20,211	20,169
Dividend per ordinary share (in respect of the period) (\$)			–	0.07	0.15

For reconciliation of our reported results to an adjusted basis, including lists of significant items, see page 35. Definitions and calculations of other alternative performance measures are included in 'Alternative performance measures' on page 32.

- 1 Profit attributable to ordinary shareholders, excluding impairment of goodwill and other intangible assets and changes in present value of in-force insurance contracts ('PVIF') (net of tax), divided by average ordinary shareholders' equity excluding goodwill, PVIF and other intangible assets (net of deferred tax).
- 2 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.
- 3 Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments', which are explained further on page 29. Leverage ratios are calculated using the end point definition of capital and the IFRS 9 regulatory transitional arrangements. Following the end of the transition period after the UK's withdrawal from the EU, any reference to EU regulations and directives (including technical standards) should be read as a reference to the version onshored into UK law under the European Union (Withdrawal) Act 2018, as amended.

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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](http://www.hsbc.com/investors).

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018). This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the 'Hong Kong Listing Rules') under Part XIV of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Hong Kong Listing Rules.

### About HSBC

#### 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 \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

### Business highlights

In February 2021, we refreshed our strategy, in recognition of the fundamental shifts in the operating environment.

Our strategy centres around four key pillars:

- focusing on our strengths and investing in the areas where we see significant opportunities for growth;
- digitising at scale by increasing our investment in technology to improve how we serve customers and increase efficiency;
- energising for growth through a strong culture, simple ways of working, and by equipping staff with the future skills they need; and
- helping our customers and communities to capture the opportunities presented by the transition to a low-carbon economy.

In 3Q21, we entered into an agreement to buy AXA Insurance Pte Limited (AXA Singapore). The proposed acquisition, which is subject to regulatory approval, is a key step in our ambition to becoming a leading wealth manager in Asia by expanding our insurance and wealth franchise in Singapore, a major hub for our wealth business in the ASEAN region.

To help our people to develop the skills for the changing world around us, we launched Future Skills in September 2021, which invited colleagues to explore new personal, digital, data and sustainability skills through a series of learning activities and events.

We continue to make progress on our ESG agenda, including our climate commitments announced in October 2020. Our new Group Chief Sustainability Officer, Celine Herweijer, joined in July 2021 to lead the net zero and wider sustainability agenda. Celine, who reports to the Group Chief Executive, is a Group Executive Committee member and chairs the Group ESG Steering Committee.

Work is ongoing to deliver on the special resolution on climate change backed by 99.7% of our shareholders at the AGM in May 2021. In addition, our Group Chief Executive, Noel Quinn, chairs the Financial Services Task Force, part of HRH The Prince of Wales' Sustainable Markets Initiative. We took a leading role in the formation of the Net-Zero Banking Alliance, and Noel is a principal of the Glasgow Financial Alliance for Net Zero group, an initiative founded by Mark Carney in his role as UN special envoy on climate and adviser for the UK's presidency of COP26, the United Nations Climate Change Conference of the Parties being held in Glasgow. Recognising the emerging importance of nature, we have also been appointed as a member of the Taskforce on Nature-related Financial Disclosures.

Our cost-reduction programme continues to progress. Cumulatively, since the start of the programme in 2020, we have now delivered savings of \$2.6bn, with costs to achieve of \$3.1bn. We now expect adjusted costs of approximately \$32bn for both 2021 and 2022, excluding the UK bank levy. This compares with our previous guidance for 2022 of \$31.3bn (based on average September 2021 foreign exchange rates, including the UK bank levy), with the increase in guidance reflecting inflationary pressures and continued investment, as well as costs due to the impact and timing of recently announced acquisitions and disposals.

At 30 September 2021, the Group had delivered cumulative gross RWA reductions of \$93bn and we remain on track to achieve our \$110bn targeted gross reduction by the end of 2022.

We maintain a strong capital position, with a CET1 ratio of 15.9% at 30 September 2021, and we intend to normalise this to be within our 14% to 14.5% target operating range by the end of 2022. We intend to achieve this through a combination of growth and capital returns, as well as from an expected \$20bn to \$35bn uplift in RWAs in 2022 due to regulatory developments. As signalled at our interim results in August, we now expect to move to within our target dividend payout ratio range of 40% to 55% of reported earnings per ordinary share in 2021.

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## Financial summary

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### 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 during 2021. 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.

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#### Foreign currency translation differences

Foreign currency translation differences for 9M21 and 3Q21 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statement for 9M20 at the average rate of exchange for 9M21;
- the income statement for quarterly periods at the average rate of exchange for 3Q21; and
- the closing prior period balance sheets at the prevailing rates of exchange at 30 September 2021.

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.

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### Significant items

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

The tables on pages 36 to 45 detail the effects of significant items on each of our global business segments and geographical regions during 9M21, 9M20, 3Q21, 2Q21 and 3Q20.

### 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') 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. Our global businesses – Wealth and Personal Banking, Commercial Banking and Global Banking and Markets – along with the Corporate Centre 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 on page 35. Supplementary reconciliations of adjusted to reported results by global business are presented on pages 36 to 40 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.

With effect from the first quarter of 2021, the Global Banking and Markets management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. Comparative data have been re-presented accordingly. Refer to page 14 for the updated financial performance summary.

## Summary consolidated income statement

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Jun 2021	30 Sep 2020
	\$m	\$m	\$m	\$m	\$m
Net interest income	19,708	20,959	6,610	6,584	6,450
Net fee income	9,996	8,907	3,322	3,211	2,981
Net income from financial instruments held for trading or managed on a fair value basis	5,909	7,768	1,725	1,775	2,000
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	2,825	(254)	30	1,631	1,036
Changes in fair value of designated debt and related derivatives <sup>1</sup>	(147)	278	(80)	46	81
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	686	259	138	291	179
Gains less losses from financial investments	555	599	122	126	133
Net insurance premium income	8,382	7,798	2,719	2,786	2,779
Other operating income	339	805	184	228	334
<b>Total operating income</b>	<b>48,253</b>	<b>47,119</b>	<b>14,770</b>	<b>16,678</b>	<b>15,973</b>
Net insurance claims and benefits paid and movement in liabilities to policyholders	(10,690)	(8,447)	(2,758)	(4,113)	(4,046)
<b>Net operating income before change in expected credit losses and other credit impairment charges<sup>2</sup></b>	<b>37,563</b>	<b>38,672</b>	<b>12,012</b>	<b>12,565</b>	<b>11,927</b>
Change in expected credit losses and other credit impairment charges	1,378	(7,643)	659	284	(785)
<b>Net operating income</b>	<b>38,941</b>	<b>31,029</b>	<b>12,671</b>	<b>12,849</b>	<b>11,142</b>
Total operating expenses excluding impairment of goodwill and other intangible assets	(24,954)	(23,207)	(7,909)	(8,518)	(7,968)
Impairment of goodwill and other intangible assets	(122)	(1,361)	(80)	(42)	(73)
<b>Operating profit</b>	<b>13,865</b>	<b>6,461</b>	<b>4,682</b>	<b>4,289</b>	<b>3,101</b>
Share of profit/(loss) in associates and joint ventures	2,377	931	721	771	(27)
<b>Profit before tax</b>	<b>16,242</b>	<b>7,392</b>	<b>5,403</b>	<b>5,060</b>	<b>3,074</b>
Tax expense	(3,578)	(2,228)	(1,161)	(1,206)	(1,035)
<b>Profit after tax</b>	<b>12,664</b>	<b>5,164</b>	<b>4,242</b>	<b>3,854</b>	<b>2,039</b>
Attributable to:					
– ordinary shareholders of the parent company	10,819	3,336	3,543	3,396	1,359
– preference shareholders of the parent company	7	67	–	–	22
– other equity holders	1,161	1,066	495	212	449
– non-controlling interests	677	695	204	246	209
<b>Profit after tax</b>	<b>12,664</b>	<b>5,164</b>	<b>4,242</b>	<b>3,854</b>	<b>2,039</b>
	\$	\$	\$	\$	\$
Basic earnings per share	0.54	0.17	0.18	0.17	0.07
Diluted earnings per share	0.53	0.16	0.17	0.17	0.07
Dividend per ordinary share (paid in the period) <sup>3</sup>	0.22	–	0.07	0.15	–
	%	%	%	%	%
Return on average ordinary shareholders' equity (annualised)	8.2	2.7	8.0	7.8	3.2
Return on average tangible equity (annualised)	9.1	3.5	8.7	8.6	2.9
Cost efficiency ratio	66.8	63.5	66.5	68.1	67.4

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 Includes an interim dividend of \$0.07 per ordinary share in respect of the financial year ending 31 December 2021, paid in September 2021, and an interim dividend of \$0.15 per ordinary share in respect of the financial year ending 31 December 2020, paid in April 2021.

## Distribution of results by global business and geographical region

### Distribution of results by global business

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Jun 2021	30 Sep 2020
	\$m	\$m	\$m	\$m	\$m
<b>Adjusted revenue<sup>1</sup></b>					
Wealth and Personal Banking	16,818	17,264	5,418	5,655	5,570
Commercial Banking	10,026	10,574	3,374	3,282	3,247
Global Banking and Markets	11,482	12,283	3,604	3,544	3,709
Corporate Centre	(328)	(150)	(195)	(86)	(152)
<b>Total</b>	<b>37,998</b>	<b>39,971</b>	<b>12,201</b>	<b>12,395</b>	<b>12,374</b>
<b>Adjusted profit before tax</b>					
Wealth and Personal Banking	5,763	3,101	1,900	1,934	1,438
Commercial Banking	5,350	1,326	1,973	1,550	1,206
Global Banking and Markets	4,723	3,814	1,416	1,360	1,248
Corporate Centre	2,110	1,812	707	664	506
<b>Total</b>	<b>17,946</b>	<b>10,053</b>	<b>5,996</b>	<b>5,508</b>	<b>4,398</b>

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



## Earnings Release – 3Q21

### Distribution of results by geographical region

	Nine months ended		Quarter ended		
	30 Sep 2021 \$m	30 Sep 2020 \$m	30 Sep 2021 \$m	30 Jun 2021 \$m	30 Sep 2020 \$m
<b>Reported profit/(loss) before tax</b>					
Europe	3,110	(2,976)	1,142	971	84
Asia	10,239	10,556	3,303	3,178	3,187
Middle East and North Africa	1,101	(326)	378	386	(300)
North America	1,163	16	358	321	(7)
Latin America	629	122	222	204	110
<b>Total</b>	<b>16,242</b>	<b>7,392</b>	<b>5,403</b>	<b>5,060</b>	<b>3,074</b>
<b>Adjusted profit/(loss) before tax</b>					
Europe	4,230	(1,593)	1,549	1,141	473
Asia	10,455	10,773	3,371	3,277	3,254
Middle East and North Africa	1,138	191	393	395	186
North America	1,440	600	441	471	382
Latin America	683	82	242	224	103
<b>Total</b>	<b>17,946</b>	<b>10,053</b>	<b>5,996</b>	<b>5,508</b>	<b>4,398</b>

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 36 to 45 reconcile reported to adjusted results for each of our global business segments and geographical regions.

### Income statement commentary

#### Group

#### 3Q21 compared with 3Q20 – reported results

##### Movement in reported profit before tax compared with 3Q20

	30 Sep 2021 \$m	30 Sep 2020 \$m	Quarter ended	
			Variance 3Q21 vs. 3Q20 \$m	%
Revenue	12,012	11,927	85	1
ECL	659	(785)	1,444	>100
Operating expenses	(7,989)	(8,041)	52	1
Share of profit/(loss) from associates and JVs	721	(27)	748	>100
<b>Profit before tax</b>	<b>5,403</b>	<b>3,074</b>	<b>2,329</b>	<b>76</b>
Tax expense	(1,161)	(1,035)	(126)	(12)
<b>Profit after tax</b>	<b>4,242</b>	<b>2,039</b>	<b>2,203</b>	<b>&gt;100</b>

#### Reported profit

Reported profit after tax of \$4.2bn was \$2.2bn higher than in 3Q20.

Reported profit before tax of \$5.4bn was \$2.3bn or 76% higher, primarily due to a net release in reported ECL, which reflected continued stability in the economic outlook and better than expected levels of credit performance. This compared with a net charge in 3Q20. Additionally, our share of profit from associates and joint ventures benefited from the non-recurrence of our share of an impairment of goodwill recorded in The Saudi British Bank ('SABB').

Lower reported ECL resulted in an increase in reported profit before tax in all of our regions, with profit before tax in HSBC UK up \$1.0bn.

Reported revenue included adverse fair value movements of certain volatile items, notably:

- In WPB, adverse market impacts in life insurance manufacturing of \$40m compared with a favourable movement of \$126m in 3Q20.
- In GBM, adverse credit and funding valuation adjustments of \$49m compared with a favourable movement of \$32m in 3Q20.

#### Reported revenue

Reported revenue of \$12.0bn was \$0.1bn or 1% higher than in 3Q20, primarily due to a favourable impact of foreign currency translation differences of \$0.3bn.

Reported revenue included adverse fair value movements of certain volatile items in WPB and GBM, discussed above, and lower MSS revenue in GBM, notably in Global Debt Markets. In addition, net interest income fell, as 2020 global interest rate reductions notably impacted our deposit franchises in WPB and in Global Liquidity and Cash Management ('GLCM') in Commercial Banking ('CMB') and GBM. These reductions were partly offset by increases in Equities, Securities Services and leveraged and acquisition finance in GBM, as well as from growth in fee income across all products in CMB and a recovery in global trade volumes during 2021.

Significant items in the period included adverse fair value movements on financial instruments of \$0.1bn. They also included restructuring and other related costs of \$0.1bn associated with disposal losses related to our RWA reduction commitments, which were broadly unchanged from 3Q20. We expect to incur additional disposal losses in future quarters as we progress with these reductions.

## Reported ECL

Reported ECL were a net release of \$0.7bn, compared with a net charge of \$0.8bn in 3Q20. The net release in 3Q21 reflected continued stability in economic conditions and better than expected levels of credit performance. This compared with the build-up of stage 1 and stage 2 allowances in 3Q20 due to the adverse economic outlook during the earlier phases of the Covid-19 pandemic. In addition, there were lower stage 3 charges in 3Q21.

## Reported operating expenses

Reported operating expenses of \$8.0bn were broadly unchanged. A decrease of \$0.2bn in restructuring and other related costs, driven by a \$0.2bn reduction in severance payments, was largely offset by an adverse impact of foreign currency translation differences of \$0.2bn.

The impact of continued investment in technology, including investments in our digital capabilities, was broadly offset by reductions from our cost-saving initiatives of \$0.6bn during 3Q21.

## Reported share of profit from associates and JVs

Reported share of profit from associates and joint ventures of \$0.7bn was \$0.7bn higher than in 3Q20. This reflected an increase in the share of profit from SABB due to the non-recurrence of our share of a 3Q20 goodwill impairment charge, a higher share of profit from Bank of Communications Co., Limited ('BoCom') and an increase from Business Growth Fund ('BGF') in the UK due to a recovery in asset valuations.

## Group

### 3Q21 compared with 3Q20 – adjusted results

#### Movement in adjusted profit before tax compared with 3Q20

	Quarter ended			
	30 Sep	30 Sep	Variance	
	2021	2020	3Q21 vs. 3Q20	
	\$m	\$m	\$m	%
Revenue	12,201	12,374	(173)	(1)
ECL	659	(823)	1,482	>100
Operating expenses	(7,585)	(7,612)	27	0
Share of profit from associates and JVs	721	459	262	57
<b>Profit before tax</b>	<b>5,996</b>	<b>4,398</b>	<b>1,598</b>	<b>36</b>

## Adjusted profit

Adjusted profit before tax of \$6.0bn was \$1.6bn or 36% higher than in 3Q20, primarily due to a net release in reported ECL, which reflected continued stability in the economic outlook and better than expected levels of credit performance. This compared with a net charge in 3Q20. Our share of profit from associates and joint ventures also increased.

Adjusted revenue decreased marginally, despite continued good performances in areas of strategic focus, including wealth and trade finance products, while revenue in GLCM stabilised relative to 2Q21.

## Adjusted revenue

Adjusted revenue of \$12.2bn was \$0.2bn or 1% lower than in 3Q20. The reduction was primarily due to net adverse movements in market impacts in life insurance manufacturing in WPB of \$167m. In GBM, the reduction in adjusted revenue was notably in Global Debt Markets in MSS and from a net adverse movement in credit and funding valuation adjustments of \$84m, although revenue increased in Equities, Securities Services and leveraged and acquisition finance. In CMB, we grew fee income in all products and benefited from a recovery in global trade volumes during 2021.

The reduction in adjusted revenue included a fall in net interest income due to the impact of 2020 global interest rate reductions, mainly affecting our deposit franchises within WPB and in GLCM in CMB and GBM. However, net interest income stabilised compared with 2Q21.

## Adjusted ECL

Adjusted ECL were a net release of \$0.7bn, compared with a charge of \$0.8bn in 3Q20. ECL in 3Q21 reflected continued stability in economic conditions and better than expected levels of credit performance. This compared with the build-up of stage 1 and stage 2 allowances in 3Q20. In addition, there were lower stage 3 charges in 3Q21.

## Adjusted operating expenses

Adjusted operating expenses of \$7.6bn were broadly unchanged. Our continued investment in technology, including investments in our digital capabilities, was broadly offset by the effects of our cost-saving initiatives.

## Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of \$0.7bn increased by \$0.3bn or 57%. This reflected an increase in the share of profit from BoCom, as well as from BGF in the UK due to a recovery in asset valuations.



## Group

### 9M21 compared with 9M20 – reported results

#### Movement in reported profit before tax compared with 9M20

	Nine months ended			
	30 Sep 2021	30 Sep 2020	Variance	
	\$m	\$m	\$m	%
Revenue	37,563	38,672	(1,109)	(3)
ECL	1,378	(7,643)	9,021	>100
Operating expenses	(25,076)	(24,568)	(508)	(2)
Share of profit from associates and JVs	2,377	931	1,446	>100
<b>Profit before tax</b>	<b>16,242</b>	<b>7,392</b>	<b>8,850</b>	<b>&gt;100</b>
Tax expense	(3,578)	(2,228)	(1,350)	(61)
<b>Profit after tax</b>	<b>12,664</b>	<b>5,164</b>	<b>7,500</b>	<b>&gt;100</b>

#### Reported profit

Reported profit after tax of \$12.7bn was \$7.5bn higher than in 9M20.

Reported profit before tax of \$16.2bn was \$8.9bn higher than in 9M20. The increase was primarily due to lower reported ECL, reflecting an improvement in the forward economic outlook, notably in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 9M20. We also reported an increase in the share of profit from associates and joint ventures. This was partly offset by lower reported revenue and an increase in reported operating expenses.

The reduction in reported revenue primarily reflected the impact of 2020 global interest rate reductions, as well as a decline in revenue in GBM's MSS business compared with a notably strong performance in 9M20. Reported revenue also included the net favourable impact of certain volatile items:

- In WPB, favourable market impacts in life insurance manufacturing of \$373m compared with adverse movements in 9M20 of \$218m.
- In GBM, MSS included favourable credit and funding valuation adjustments movements, as adverse adjustments of \$14m compared with adverse adjustments of \$322m in 9M20. In Principal Investments, valuation gains of \$325m compared with gains of \$40m in 9M20.

This was partly offset by:

- In Corporate Centre, there were adverse fair value movements on our long-term debt and associated swaps of \$89m (9M20: \$163m favourable).

In 9M21, all of our regions were profitable. Despite the impact of lower global interest rates, our Asia business continued to perform strongly. In addition, there was a material recovery in profitability in all other regions, primarily reflecting a net release in ECL as the economic outlook improved, notably in HSBC UK.

IFRS 17 'Insurance Contracts' sets the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. IFRS 17 is effective from 1 January 2023 and could have a significant adverse impact on the profitability of our insurance business. For further details on the impact of IFRS 17 on the results of our insurance operations, see page 10.

#### Reported revenue

Reported revenue of \$37.6bn was \$1.1bn or 3% lower than in 9M20. The reduction primarily reflected a fall in net interest income as a result of the impact of lower global interest rates, notably affecting our deposit franchises in WPB and in GLCM in CMB and GBM. In GBM's MSS business, revenue decreased in Global Foreign Exchange and Global Debt Markets, compared with a notably strong 9M20, although activity increased in Equities and there were favourable movements in credit and funding valuation adjustments. In addition, revenue was lower in Corporate Centre.

These reductions were in part mitigated by revenue growth in Wealth in WPB, notably from a net favourable movement in market impacts in life insurance manufacturing, and growth in investment distribution, asset management and new business in insurance. GBM revenue also benefited from favourable valuation gains in Principal Investments and higher revenue in leveraged and acquisition finance. In CMB, revenue increased in Credit and Lending as margins improved, and a recovery in trade volumes resulted in higher fee income in Global Trade and Receivables Finance ('GTRF').

The reduction in reported revenue included adverse fair value movements on financial instruments of \$0.6bn, although these were more than offset by the favourable impact of foreign currency translation differences of \$1.4bn.

#### Reported ECL

Reported ECL were a net release of \$1.4bn, compared with a charge of \$7.6bn in 9M20. The net release in 9M21 reflected an improvement in the economic outlook, notably in the UK. This compared with the significant build-up of stage 1 and stage 2 allowances in 9M20 due to the worsening economic outlook at the onset of the Covid-19 pandemic. The reduction in ECL also reflected low levels of stage 3 charges, as well as the non-recurrence of a significant charge in 9M20 related to a corporate exposure in Singapore.

Given current consensus economics and default experience, ECL charges for 2021 are expected to be a net release for the year, with the potential for a further small net release in 4Q21, dependent on offsetting levels of stage 3 charges. We do not currently expect ECL charges to normalise towards our medium-term range of 30bps to 40bps of average loans until the second half of 2022.

*For further details on the calculation of ECL, including the measurement uncertainties and significant judgements applied to such calculations, the impact of alternative/additional scenarios and post-model adjustments, see pages 20 to 23.*

## Reported operating expenses

Reported operating expenses of \$25.1bn were \$0.5bn or 2% higher than in 9M20. This primarily reflected an increase in performance-related pay of \$0.9bn, which is accrued based on the profile of our expected profit performance. In addition, investment in technology, including investments in our digital capabilities, increased by \$0.6bn. Our investment in Asia wealth also rose by \$0.1bn. These increases were partly offset by a \$1.5bn impact of our cost-saving initiatives.

The increase in reported operating expenses also included the adverse impact of foreign currency translation differences of \$1.1bn and an increase in restructuring and other related costs of \$0.2bn, within which severance payments fell by \$0.1bn. However, these items were broadly offset by the non-recurrence of a \$1.3bn impairment of intangible assets, mainly in Europe in 9M20, of which \$0.2bn was within restructuring and other related costs.

## Reported share of profit from associates and JVs

Reported share of profit in associates and joint ventures of \$2.4bn was \$1.4bn higher, primarily reflecting a higher share of profit from SABB due to the non-recurrence of our share of its goodwill impairment charge in 9M20 and an increased share of profit from BoCom. Our share of profit also rose from BGF in the UK due to a recovery in asset valuations relative to 9M20.

## Tax expense

The effective tax rate for 9M21 of 22.0% was lower than the 30.1% for 9M20. The effective tax rate for 9M21 was increased by the impact of substantively enacted legislation to increase the UK statutory tax rate from 1 April 2023. The 9M20 effective tax rate was high, due mainly to the non-recognition of deferred tax on losses in the UK.

## Group

### 9M21 compared with 9M20 – adjusted results

#### Movement in adjusted profit before tax compared with 9M20

	Nine months ended			
	30 Sep	30 Sep	Variance	
	2021	2020	9M21 vs. 9M20	
	\$m	\$m	\$m	%
Revenue	37,998	39,971	(1,973)	(5)
ECL	1,378	(8,110)	9,488	>100
Operating expenses	(23,807)	(23,316)	(491)	(2)
Share of profit from associates and JVs	2,377	1,508	869	58
<b>Profit before tax</b>	<b>17,946</b>	<b>10,053</b>	<b>7,893</b>	<b>79</b>

## Adjusted profit

Adjusted profit before tax of \$17.9bn was \$7.9bn or 79% higher than in 9M20, primarily due to a net release of adjusted ECL due to an improvement in the economic outlook, notably in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 9M20. Share of profit from associates and joint ventures also increased.

These factors were in part offset by lower adjusted revenue, primarily reflecting a fall in net interest income as a result of the impact of lower global interest rates and a reduction in MSS revenue in GBM, compared with a notably strong performance in 9M20. In addition, adjusted operating expenses were higher, primarily due to a higher performance-related pay accrual.

## Adjusted revenue

Adjusted revenue of \$38.0bn was \$2.0bn or 5% lower than in 9M20. The reduction was primarily in net interest income due to the impact of lower global interest rates, mainly affecting our deposit franchises within WPB and in GLCM in CMB and GBM. In GBM's MSS business, revenue decreased in Global Foreign Exchange and Global Debt Markets, reflecting lower market volatility and client activity compared with a notably strong 9M20, although activity increased in Equities and there were favourable movements in credit and funding valuation adjustments of \$327m. In addition, revenue was lower in Corporate Centre.

These reductions were in part mitigated by revenue growth in Wealth in WPB, notably from a net favourable movement in market impacts in life insurance manufacturing of \$598m, and growth in investment distribution, asset management and new business in insurance. In GBM, there were higher favourable revaluations in Principal Investments compared with 9M20, and increased revenue in leveraged and acquisition finance. In CMB, revenue grew in Credit and Lending as margins improved, and a recovery in trade volumes resulted in higher fee income in GTRF.

## Adjusted ECL

Adjusted ECL, which removes the period-on-period effects of foreign currency translation differences, were a net release of \$1.4bn compared with a charge of \$8.1bn in 9M20. These reflected releases as a result of an improvement in the economic outlook, notably in the UK. This compared with the significant build-up of stage 1 and stage 2 allowances in 9M20 due to the worsening economic outlook at the onset of the Covid-19 pandemic. The reduction in ECL also reflected low levels of stage 3 charges in 9M21, as well as the non-recurrence of a significant charge in 9M20 related to a corporate exposure in Singapore.

## Adjusted operating expenses

Adjusted operating expenses of \$23.8bn were \$0.5bn or 2% higher than in 9M20. This primarily reflected higher performance-related pay of \$0.8bn, which is accrued based on the profile of our expected profit performance. In addition, investment in technology, including investments in our digital capabilities, increased by \$0.6bn. Our Asia wealth investment also rose by \$0.1bn. These increases were partly offset by a \$1.5bn impact of our cost-saving initiatives.

The number of employees expressed in full-time equivalent staff ('FTE') at 30 September 2021 was 223,448, a decrease of 2,611 compared with 31 December 2020. The number of contractors at 30 September 2021 was 6,236, an increase of 544, primarily as a result of our growth and transformation initiatives.

## Earnings Release – 3Q21

### Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of \$2.4bn was \$0.9bn or 58% higher than in 9M20, including an increase in share of profit from BoCom and SABB. Our share of profit also rose from BGF in the UK due to a recovery in asset valuations relative to 9M20.

### Net interest margin

	Nine months ended		Quarter ended		
	30 Sep 2021 \$m	30 Sep 2020 \$m	30 Sep 2021 \$m	30 Jun 2021 \$m	30 Sep 2020 \$m
Net interest income	19,708	20,959	6,610	6,584	6,450
Average interest-earning assets	2,195,384	2,070,703	2,207,960	2,198,953	2,141,454
	%	%	%	%	%
Gross interest yield <sup>1</sup>	1.64	2.09	1.62	1.64	1.76
Less: gross interest payable <sup>1</sup>	(0.54)	(0.89)	(0.53)	(0.53)	(0.68)
Net interest spread <sup>2</sup>	1.10	1.20	1.09	1.11	1.08
Net interest margin <sup>3</sup>	1.20	1.35	1.19	1.20	1.20

<sup>1</sup> Gross interest yield is the average annualised interest rate earned on average interest-earning assets ('AIEA'). Gross interest payable is the average annualised interest cost as a percentage of average interest-bearing liabilities.

<sup>2</sup> 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.

<sup>3</sup> Net interest margin is net interest income expressed as an annualised percentage of AIEA.

Net interest margin ('NIM') of 1.20% was 15 basis points ('bps') lower compared with 9M20, driven by lower market interest rates. The yield on AIEA dropped by 45bps, partly offset by a 35bps fall in the funding cost of average interest-bearing liabilities. The decrease in NIM in 9M21 included the favourable impact of significant items and the adverse effects of foreign currency translation differences. Excluding these, NIM fell by 14bps.

NIM for 3Q21 was 1.19%, down 1bps compared with the previous year as well as the previous quarter, predominantly driven by a change in the balance sheet mix towards low yielding short-term funds and loans to banks, and reducing balances in high yielding term lending.

### Results from insurance operations

IFRS 17 'Insurance Contracts' sets the requirements for accounting for insurance contracts issued and reinsurance contracts held and is effective from 1 January 2023. As highlighted in our *Annual Report and Accounts 2020*, IFRS 17 requires a number of key changes compared with our current accounting policies for insurance.

- Under IFRS 17, there will be no present value of in-force insurance contracts ('PVIF') asset recognised. Instead the estimated future profit will be included in the measurement of the insurance contract liability as the contractual service margin ('CSM') and this will be gradually recognised in revenue as services are provided over the duration of the insurance contract. While the profit over the life of an individual contract will be unchanged, its emergence will be later under IFRS 17.
- IFRS 17 requires the increased use of current market values in the measurement of insurance assets and liabilities. Additionally, the replacement of the PVIF asset with a CSM liability will reduce both tangible and overall equity.
- In accordance with IFRS 17, directly attributable costs will be incorporated in the CSM and, as recognised, will be presented as a deduction to reported revenue. This will result in a reduction in reported operating expenses.

The Group is in the process of implementing IFRS 17, and industry practice and interpretation of the standard are still developing. Additionally, the impact on the forecast future returns of our insurance business is dependent on the growth, duration and composition of our insurance contract portfolio. Therefore, the likely financial impact of its implementation remains uncertain.

We expect to provide an update on the likely impacts on our insurance business' income statement and balance sheet at or around our 1H22 interim results announcement. For the purpose of planning the Group's financial resources, our initial assumption (based on analysis of the expected 2022 position) is that the resultant accounting changes may result in a step-down in the profitability of our insurance business by approximately two thirds on the transition to IFRS 17, albeit with a range of expected outcomes. The return on average ordinary shareholders' equity ('RoE') of the insurance business is not expected to be significantly impacted. A similar impact is expected on the equity of the insurance business, primarily reflecting the elimination of the PVIF asset and creation of the CSM liability (the latter impacting tangible equity). At 1H21, the equity of insurance manufacturing subsidiaries were \$16.4bn, including PVIF assets of \$9.4bn and an associated deferred tax liability of \$1.7bn. These assumptions may change significantly in the period prior to adoption of the standard.

No significant effects are expected on the distribution of dividends from insurance subsidiaries, primarily as insurance entities do not recognise PVIF in their individual financial statements. Similarly, no significant impacts are expected on the Group's regulatory capital, which does not consolidate the results of insurance entities.

## Summary consolidated balance sheet

	At		
	30 Sep 2021 \$m	30 Jun 2021 \$m	31 Dec 2020 \$m
<b>Assets</b>			
Cash and balances at central banks	409,918	393,559	304,481
Trading assets	256,374	260,250	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	49,068	49,120	45,553
Derivatives	198,533	209,516	307,726
Loans and advances to banks	95,974	86,886	81,616
Loans and advances to customers <sup>1</sup>	1,039,677	1,059,511	1,037,987
Reverse repurchase agreements – non-trading	211,035	201,714	230,628
Financial investments	428,751	434,576	490,693
Other assets	279,461	280,873	253,490
<b>Total assets</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,984,164</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits by banks	92,548	100,448	82,080
Customer accounts	1,687,982	1,669,091	1,642,780
Repurchase agreements – non-trading	121,158	112,798	111,901
Trading liabilities	89,212	89,637	75,266
Financial liabilities designated at fair value	146,086	151,686	157,439
Derivatives	189,169	200,156	303,001
Debt securities in issue	82,903	84,218	95,492
Liabilities under insurance contracts	111,015	110,572	107,191
Other liabilities	242,029	250,635	204,019
<b>Total liabilities</b>	<b>2,762,102</b>	<b>2,769,241</b>	<b>2,779,169</b>
<b>Equity</b>			
Total shareholders' equity	198,144	198,218	196,443
Non-controlling interests	8,545	8,546	8,552
<b>Total equity</b>	<b>206,689</b>	<b>206,764</b>	<b>204,995</b>
<b>Total liabilities and equity</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,984,164</b>

<sup>1</sup> Net of impairment allowances.

## Balance sheet commentary

### Balance sheet – 30 September 2021 compared with 30 June 2021

At 30 September 2021, our total assets of \$3.0tn were \$7bn lower on a reported basis and included adverse effects of foreign currency translation differences of \$39bn.

The decrease in total assets reflected lower loans and advances to customers. This was in part offset by higher cash balances, which rose by \$16bn, from an increased commercial surplus and growth in deposits, as well as an increase in reverse repurchase agreements, driven by higher client demand and short-term funding requirements.

Reported loans and advances to customers as a percentage of customer accounts was 61.6%, which was lower compared with 63.5% at 30 June 2021.

#### Loans and advances to customers

Reported loans and advances to customers of \$1.0tn were \$20bn lower, which included adverse effects of foreign currency translation differences of \$14bn. On a constant currency basis, customer lending balances were \$6bn lower.

Customer lending decreased in WPB by \$2bn to \$482bn, mainly from the repayment of \$9bn of short-term borrowing to fund investments in initial public offerings in Hong Kong. This reduction was largely offset by higher mortgage balances, notably in the UK (up \$2bn), Hong Kong (up \$2bn) and Canada (up \$1bn) as housing market activity continued to increase.

In GBM, lending of \$212bn fell by \$2bn, and in CMB, customer lending of \$345bn was \$1bn lower. These reductions were primarily driven by the repayment of short-term borrowing to fund investments in initial public offerings in Hong Kong. In addition, in CMB we grew trade lending by \$2bn, reflecting a recovery in global trade volumes, which largely mitigated a reduction in other term lending.

#### Customer accounts

Customer accounts of \$1.7tn increased by \$19bn on a reported basis, which included adverse effects of foreign currency translation differences of \$22bn. On a constant currency basis, customer accounts were \$41bn higher, with growth across all of our global businesses. The increase was primarily in the UK, Hong Kong and Singapore, as customers continued to build up their savings as spending remained below pre-pandemic levels.

## Risk-weighted assets – 30 September 2021 compared with 30 June 2021

Risk-weighted assets ('RWAs') decreased by \$23.1bn during the quarter. Excluding foreign currency translation differences, RWAs decreased by \$14.4bn, reflecting the following movements:

- a \$6.4bn fall in RWAs due to changes in asset quality, which related predominantly to favourable portfolio mix changes and credit migration in GBM and CMB corporate lending portfolios;
- a \$4.5bn reduction in RWAs due to changes to methodology and policy, mostly risk parameter refinements in GBM and CMB; and
- a \$3.5bn asset size decrease. This was mostly due to lower short-term lending in WPB and GBM related to lending to fund initial public offerings in Hong Kong, partly offset by an increase in market risk RWAs.

## Global businesses

### Wealth and Personal Banking – adjusted results

#### Management view of adjusted revenue<sup>1</sup>

	Nine months ended				Quarter ended		
	30 Sep	30 Sep	Variance		30 Sep	30 Jun	30 Sep
	2021	2020	9M21 vs. 9M20		2021	2021	2020
	\$m	\$m	\$m	%	\$m	\$m	\$m
<b>Wealth</b>	<b>6,989</b>	5,885	<b>1,104</b>	<b>19</b>	<b>2,166</b>	2,422	2,188
– investment distribution	<b>2,721</b>	2,520	<b>201</b>	<b>8</b>	<b>870</b>	821	881
– life insurance manufacturing	<b>1,957</b>	1,188	<b>769</b>	<b>65</b>	<b>518</b>	866	609
– Global Private Banking	<b>1,402</b>	1,384	<b>18</b>	<b>1</b>	<b>467</b>	442	424
– net interest income	<b>481</b>	532	<b>(51)</b>	<b>(10)</b>	<b>161</b>	162	144
– non-interest income	<b>921</b>	852	<b>69</b>	<b>8</b>	<b>306</b>	280	280
– asset management	<b>909</b>	793	<b>116</b>	<b>15</b>	<b>311</b>	293	274
<b>Personal Banking</b>	<b>9,211</b>	10,293	<b>(1,082)</b>	<b>(11)</b>	<b>3,067</b>	3,062	3,098
– net interest income	<b>8,166</b>	9,354	<b>(1,188)</b>	<b>(13)</b>	<b>2,710</b>	2,725	2,777
– non-interest income	<b>1,045</b>	939	<b>106</b>	<b>11</b>	<b>357</b>	337	321
Other <sup>2</sup>	<b>618</b>	1,086	<b>(468)</b>	<b>(43)</b>	<b>185</b>	171	284
<b>Net operating income<sup>3</sup></b>	<b>16,818</b>	17,264	<b>(446)</b>	<b>(3)</b>	<b>5,418</b>	5,655	5,570
RoTE excluding significant items (annualised) (%)	<b>17.2</b>	7.6					

1 With effect from the first quarter of 2021, certain items within the management view of adjusted revenue have been renamed. 'Wealth Management' has been renamed 'Wealth' and 'Retail Banking' has been renamed 'Personal Banking'.

2 'Other' includes the distribution and manufacturing (where applicable) of retail and credit protection insurance, disposal gains and other non-product specific income. It also includes Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.

3 'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').

### 9M21 compared with 9M20

Adjusted profit before tax of \$5.8bn was \$2.7bn or 86% higher than in 9M20. This reflected a net release of adjusted ECL as the economic outlook improved, compared with the significant build-up of allowances in 9M20. The impact of lower global interest rates resulted in a decrease in net interest income, which was partly offset by an increase in Wealth revenue due to a net favourable movement of \$598m in market impacts in insurance, and growth in investment distribution (up \$0.2bn), asset management (up \$0.1bn) and new business in insurance (up \$0.2bn).

Adjusted revenue of \$16.8bn was \$0.4bn or 3% lower.

In Personal Banking, revenue of \$9.2bn was down \$1.1bn or 11%.

- Net interest income was \$1.2bn lower due to narrower margins following the fall in global interest rates in 2020 due to the Covid-19 pandemic. This reduction was partly mitigated by deposit balance growth of \$35bn or 5% and higher mortgage lending of \$23bn or 7% across all regions, particularly in the UK and Hong Kong.
- Non-interest income increased by \$0.1bn or 11%, driven by growth of mortgage fees in the UK and higher transaction volumes and spending on cards.

In Wealth, revenue of \$7.0bn was up \$1.1bn or 19%.

- Life insurance manufacturing revenue was \$0.8bn higher, which included a net favourable movement in market impacts of \$598m. A favourable movement of \$373m compared with an adverse movement of \$225m in 9M20, as equity markets continued to improve after the sharp fall in March 2020. The value of new business written of \$0.8bn was \$0.2bn higher, reflecting market share growth across Asia, notably in Hong Kong, where we significantly broadened engagement with domestic customers, including through the continued expansion of our health platforms.
- Investment distribution revenue was \$0.2bn or 8% higher, reflecting strong equity market conditions in Hong Kong, which resulted in higher mutual fund sales and growth in brokerage fees as transaction volumes increased.
- Asset management revenue was \$0.1bn or 15% higher, driven by an increase in management fees from higher net new money inflows, and growth in performance fees, reflecting favourable market movements.
- Global Private Banking revenue was \$18m or 1% higher due to growth in non-interest income of \$69m or 8%. A rise in investment revenue reflected higher fees from advisory and discretionary mandates, as well as market volatility. This was partly offset by net interest income, which fell by \$51m or 10% as a result of the impact of lower global interest rates.

Adjusted ECL were a net release of \$0.3bn, compared with a charge of \$2.7bn in 9M20. ECL reflected a release of allowances as the economic outlook improved. This compared with the significant build-up of allowances in 9M20 as a result of the Covid-19 pandemic.



Adjusted operating expenses of \$11.4bn were \$0.1bn or 1% lower, as the benefits of our cost-saving initiatives funded our continued investment in Wealth in Asia and also offset a higher performance-related pay accrual.

### 3Q21 compared with 3Q20

Adjusted profit before tax of \$1.9bn was \$0.5bn or 32% higher than in 3Q20. This was driven by a \$0.6bn reduction in adjusted ECL, reflecting continued stability in economic conditions and better than expected levels of credit performance. Adjusted revenue was \$0.2bn or 3% lower, driven by a net adverse movement in market impacts in life insurance manufacturing of \$167m and the ongoing impact of lower global interest rates. However, this was in part mitigated by higher revenue, notably fee income, in asset management and Global Private Banking. While wealth balances fell by 2% in the quarter, mainly reflecting an adverse movement in equity markets in Asia, net new money in Global Private Banking and asset management remained positive. Adjusted operating expenses were stable, as our increased investment in Wealth in Asia was funded by the benefits of our cost-saving initiatives.

## Commercial Banking – adjusted results

### Management view of adjusted revenue

	Nine months ended				Quarter ended		
	30 Sep	30 Sep	Variance		30 Sep	30 Jun	30 Sep
	2021	2020	9M21 vs. 9M20		2021	2021	2020
	\$m	\$m	\$m	%	\$m	\$m	\$m
Global Trade and Receivables Finance	1,433	1,362	71	5	500	474	436
Credit and Lending	4,485	4,367	118	3	1,520	1,479	1,482
Global Liquidity and Cash Management	2,638	3,354	(716)	(21)	896	870	943
GBM products, Insurance and Investments, and Other <sup>1</sup>	1,470	1,491	(21)	(1)	458	459	386
– of which: share of revenue from Markets and Securities Services and Banking products	791	719	72	10	266	262	227
<b>Net operating income<sup>2</sup></b>	<b>10,026</b>	<b>10,574</b>	<b>(548)</b>	<b>(5)</b>	<b>3,374</b>	<b>3,282</b>	<b>3,247</b>
RoTE excluding significant items (annualised) (%)	<b>11.6</b>	1.1					

1 Includes CMB's share of revenue from the sale of Markets and Securities Services and Banking products to CMB customers. GBM's share of revenue from the sale of these products to CMB customers is included within the corresponding lines of the GBM management view of adjusted revenue. Also includes allocated revenue from Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.

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

### 9M21 compared with 9M20

Adjusted profit before tax of \$5.4bn was \$4.0bn higher than in 9M20. This reflected a net release of adjusted ECL of \$0.5bn in 9M21 as the economic outlook improved, compared with a charge of \$4.1bn in 9M20 due to a significant build-up of allowances and a notable charge related to a corporate exposure in Singapore. This was partly offset by a decline in adjusted revenue, mainly due to the impact of lower global interest rates.

Adjusted revenue of \$10.0bn was \$0.5bn or 5% lower.

- In GLCM, revenue decreased by \$0.7bn or 21%, reflecting the impact of lower global interest rates, mainly in Hong Kong and the UK. This was partly offset by a 16% increase in year-on-year average deposit balances, with growth particularly in the UK, Hong Kong and the US, as well as from an 8% increase in fee income, with growth across all regions.
- In GBM products, Insurance and Investments, and Other, revenue reduced by \$21m or 1%, reflecting the impact of lower global interest rates on income earned on capital held in the business. This reduction was partly offset by higher revenue from the cross-sell of GBM products to CMB customers, notably Global Markets and Capital Markets and Advisory.

These decreases were partly offset:

- In Credit and Lending, revenue increased by \$0.1bn or 3%, reflecting wider margins and an 8% increase in fee income, notably in the UK, Latin America and North America. During 2021 we grew balances in Asia, although year-on-year average balances decreased, as customers' funding requirements fell due to the Covid-19 restrictions.
- In Global Trade and Receivables Finance ('GTRF'), revenue rose by \$0.1bn or 5%, driven by a 7% growth in fee income across all regions, partly reflecting a recovery in global trade volumes during 2021, as well as an increase in average balances, notably in Asia.

Adjusted ECL were a net release of \$0.5bn, compared with a charge of \$4.1bn in 9M20. ECL in 9M21 reflected a release of stage 1 and stage 2 allowances as the economic outlook improved, notably in the UK. This compared with the significant build-up of allowances in 9M20 as a result of the adverse economic outlook due to the Covid-19 pandemic. The reduction in ECL also included lower stage 3 charges in 9M21, and as 9M20 included a significant charge related to a corporate exposure in Singapore.

Adjusted operating expenses of \$5.2bn were \$0.1bn or 1% higher, primarily reflecting an increase in the performance-related pay accrual and continued investment in our digital and transactional banking capabilities. These increases were partly offset by continued cost discipline through hiring efficiencies, and the impact of our cost-saving initiatives.

At 30 September 2021, we had delivered \$23bn of cumulative gross RWA reductions as part of our transformation programme.

### 3Q21 compared with 3Q20

Adjusted profit before tax of \$2.0bn was \$0.8bn or 64% higher than in 3Q20, primarily due to a reduction in adjusted ECL of \$0.6bn, reflecting continued stability in economic conditions, better than expected levels of credit performance and lower stage 3 charges. Adjusted revenue for the quarter increased compared with the prior year quarter for the first time since the pandemic, driven by higher fee income across all products and growth in trade lending and deposit balances, although these were partly offset by the impact of lower global interest rates. Adjusted operating expenses were broadly unchanged as increased investment in technology was broadly offset by the impact of our cost-saving initiatives and continued disciplined hiring.



## Earnings Release – 3Q21

### Global Banking and Markets – adjusted results

Management view of adjusted revenue<sup>1,2</sup>

	Nine months ended				Quarter ended		
	30 Sep	30 Sep	Variance		30 Sep	30 Jun	30 Sep
	2021	2020	9M21 vs. 9M20		2021	2021	2020
	\$m	\$m	\$m	%	\$m	\$m	\$m
<b>Markets and Securities Services</b>	<b>6,417</b>	7,096	<b>(679)</b>	<b>(10)</b>	<b>1,985</b>	1,921	2,066
– Securities Services	1,452	1,402	50	4	528	467	417
– Global Debt Markets	877	1,346	(469)	(35)	164	314	306
– Global Foreign Exchange	2,452	3,328	(876)	(26)	772	721	842
– Equities	990	547	443	81	348	220	233
– Securities Financing	660	814	(154)	(19)	222	196	233
– Credit and funding valuation adjustments	(14)	(341)	327	96	(49)	3	35
<b>Banking</b>	<b>4,951</b>	5,189	<b>(238)</b>	<b>(5)</b>	<b>1,659</b>	1,646	1,626
– Global Trade and Receivables Finance	538	540	(2)	–	180	178	176
– Global Liquidity and Cash Management	1,357	1,575	(218)	(14)	465	444	460
– Credit and Lending	1,939	2,039	(100)	(5)	629	650	686
– Capital Markets and Advisory	947	820	127	15	337	317	286
– Other <sup>3</sup>	170	215	(45)	(21)	48	57	18
<b>GBM Other</b>	<b>114</b>	(2)	<b>116</b>	<b>&gt;100</b>	<b>(40)</b>	(23)	17
– Principal Investments	325	42	283	>100	88	63	53
– Other <sup>4</sup>	(211)	(44)	(167)	>(100)	(128)	(86)	(36)
<b>Net operating income<sup>5</sup></b>	<b>11,482</b>	12,283	<b>(801)</b>	<b>(7)</b>	<b>3,604</b>	3,544	3,709
RoTE excluding significant items (annualised) (%)	10.1	6.9					

1 With effect from the first quarter of 2021, management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. Comparative data have been re-presented accordingly.

2 From 1 June 2020, revenue from Issuer Services, previously reported in Securities Services, was reported in Banking. This resulted in \$80m revenue being recorded in Securities Services in 9M20. Comparative data have not been re-presented.

3 Includes portfolio management, earnings on capital and other capital allocations on all Banking products.

4 Includes notional tax credits and Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.

5 'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').

#### 9M21 compared with 9M20

Adjusted profit before tax of \$4.7bn was \$0.9bn or 24% higher than in 9M20. This mainly reflected a net release of adjusted ECL, compared with a significant build-up of allowances in 9M20, despite a decrease in adjusted revenue and higher operating expenses.

Adjusted revenue of \$11.5bn decreased by \$0.8bn compared with 9M20.

In MSS, revenue fell by \$0.7bn or 10%, compared with an exceptionally strong comparative period, primarily in Global Debt Markets, Global Foreign Exchange and Securities Financing.

- In Equities, our diversified product and geographical coverage enabled us to capture market opportunities, including the strong client activity, particularly in wealth in Asia and Europe, due to volatility in the Shanghai and Hong Kong stock exchanges, contributing to revenue growth of \$0.4bn or 81%.
- In Securities Services, we continued to grow assets under custody, with a 23% year-on-year increase in average balances, rising to \$10tn. In addition, transaction volumes increased in Asia and Europe, resulting in higher fees.

In Banking, revenue fell by \$0.2bn or 5%.

- In GLCM, revenue fell by \$0.2bn or 14%, as lower global interest rates compressed margins, although we grew average balances by 5% and increased fee income, reflecting higher transaction volumes in the US and UK.
- Capital Markets and Advisory benefited from a strong performance in leveraged and acquisition finance, particularly in the US, although revenue was adversely affected by a reduction in debt underwriting volumes compared with elevated activity in 9M20.
- Revenue was adversely affected in Credit and Lending and GTRF due to strategic actions taken to reduce RWAs.

Adjusted ECL were a net release of \$0.6bn, compared with a charge of \$1.3bn in 9M20. ECL in 9M21 reflected the release of stage 1 and stage 2 allowances as the economic outlook improved, and benefited from a net release of provisions against specific stage 3 customers. This compared with the significant build-up of allowances in 9M20 as a result of the Covid-19 pandemic.

Adjusted operating expenses of \$7.3bn were \$0.1bn or 2% higher from an increased performance-related pay accrual of approximately \$0.3bn and higher technology investment. These increases were partly offset by the impact of our cost-saving initiatives.

At 30 September 2021, we had delivered \$70bn of cumulative gross RWA reductions as part of our transformation programme. Since the start of the programme, this mitigated growth in RWAs from asset quality deterioration, increased activity on client facilities and elevated market volatility as a result of the Covid-19 pandemic, as well as from regulatory changes.

#### 3Q21 compared with 3Q20

Adjusted profit before tax of \$1.4bn was \$0.2bn or 13% higher than in 3Q20, driven by a net release in adjusted ECL in 3Q21.

Adjusted revenue was \$0.1bn or 3% lower. Revenue in Global Debt Markets was lower due to our strategic reduction of the capital deployed to G10 long-term rates derivatives market-making, and was in the context of strong client activity in 3Q20. However, there was continued momentum in Equities, notably in derivatives, from higher client activity and volatility in Asia. In Securities Services, 3Q21 was a strong quarter, as higher volumes resulted in fee growth and we grew assets under custody, mainly in Asia. In Credit and Lending, net interest income fell due to our strategic actions to reduce RWAs, resulting in lower balances. Adjusted ECL were \$0.3bn lower, reflecting continued stability in economic conditions and better than expected levels of credit performance. Adjusted operating expenses were

\$23m or 1% lower, as our cost-saving initiatives and lower litigation costs more than offset an increase in investments in technology and a higher performance-related pay accrual.

## Corporate Centre – adjusted results

### Management view of adjusted revenue

	Nine months ended				Quarter ended		
	30 Sep	30 Sep	Variance		30 Sep	30 Sep	
	2021	2020	9M21 vs. 9M20		2021	2020	
	\$m	\$m	\$m	%	\$m	\$m	
Central Treasury <sup>1</sup>	(89)	169	(258)	>(100)	(35)	(27)	(32)
Legacy portfolios	(19)	(24)	5	21	(35)	6	28
Other <sup>2</sup>	(220)	(295)	75	25	(125)	(65)	(148)
<b>Net operating income<sup>3</sup></b>	<b>(328)</b>	<b>(150)</b>	<b>(178)</b>	<b>&gt;(100)</b>	<b>(195)</b>	<b>(86)</b>	<b>(152)</b>
RoTE excluding significant items (annualised) (%)	5.4	4.6					

1 Central Treasury includes adverse valuation differences on issued long-term debt and associated swaps of \$89m (9M20: gain of \$163m; 3Q21: loss of \$35m; 2Q21: loss of \$27m; 3Q20: loss of \$32m).

2 Revenue from Markets Treasury, HSBC Holdings net interest expense and Argentina hyperinflation are allocated out to the global businesses, to align them better with their revenue and expense. The total Markets Treasury revenue component of this allocation for 9M21 was \$1,844m (9M20: \$2,253m; 3Q21: \$524m; 2Q21: \$510m; 3Q20: \$672m).

3 'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').

### 9M21 compared with 9M20

Adjusted profit before tax of \$2.1bn was \$0.3bn or 16% higher than in 9M20 due to an increased adjusted share of profit from associates and joint ventures, partly offset by adverse movements in adjusted revenue and adjusted operating expenses.

Adjusted revenue decreased by \$0.2bn, mainly in Central Treasury, from a net adverse fair value movement of \$252m relating to the economic hedging of interest rate and exchange rate risk on our long-term debt with associated swaps.

Adjusted operating expenses increased by \$0.4bn due to a reduction in recoveries from our global businesses, higher expenditure on regulatory projects and a higher performance-related pay accrual.

Adjusted share of profit from associates and joint ventures of \$2.4bn increased by \$0.8bn. The increases were from BoCom and SABB, as well as from BGF in the UK, reflecting a recovery in asset valuations relative to 9M20.

### 3Q21 compared with 3Q20

Adjusted profit before tax of \$0.7bn was \$0.2bn higher than in 3Q20. This was primarily due to an increase in the share of profit from BoCom and from BGF in the UK due to favourable asset valuations compared with 3Q20. This was partly offset by lower revenue, driven by a loss on disposal of legacy portfolios in the US.

## Notes

- Income statement comparisons, unless stated otherwise, are between the quarter ended 30 September 2021 and the quarter ended 30 September 2020. Balance sheet comparisons, unless otherwise stated, are between balances at 30 September 2021 and the corresponding balances at 30 June 2021.
- 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 288 to 299 of our *Annual Report and Accounts 2020*.
- On 2 August 2021, the Directors approved an interim dividend for the 2021 half-year of \$0.07 per ordinary share. The interim dividend was paid on 30 September 2021 in cash in US dollars, or in sterling or Hong Kong dollars at exchange rates determined on 20 September 2021. The Group will not pay quarterly dividends during 2021, but will review whether to revert to paying quarterly dividends at or ahead of its 2021 results announcement in February 2022.

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# Risk

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## Approach to risk management

We aim to use a comprehensive risk management approach across the organisation and across all risk types, underpinned by our culture and values. This is outlined in our risk management framework, including the key principles and practices that we employ in managing material risks, both financial and non-financial. The framework fosters continual monitoring, promotes risk awareness and encourages sound operational and strategic decision making. It also supports a consistent approach to identifying, assessing, managing and reporting the risks we accept and incur in our activities. We continue to actively review and develop our risk management framework and enhance our approach to managing risk.

We operate a wide-ranging stress testing programme, which is a key part of our risk management and capital and liquidity planning. Stress testing provides management with key insights into the impacts of severely adverse events on the Group, and provides confidence to regulators on the Group's financial stability.

In response to the risks posed by climate change, we have developed our capabilities to execute climate stress testing and scenario analysis, which are being used to further enhance our understanding of our risk exposures for use in risk management and business decision making. We have also delivered regulatory stress testing exercises to a number of regulators including the Bank of England's climate biennial exploratory scenario. We appointed a Head of Climate Risk in support of our climate change strategy and to oversee the development of our climate risk management capabilities. Our ongoing climate risk programme will shape our approach to climate risk across four key pillars: governance and risk appetite; risk management; stress testing; and disclosures.

At 30 September 2021, our CET1 ratio increased to 15.9%, from 15.6% at 30 June 2021, and our liquidity coverage ratio ('LCR') was 135%. Our capital, funding and liquidity positions continue to help enable us to support our customers throughout the ongoing geopolitical and macroeconomic uncertainty.

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## Risks related to Covid-19

The Covid-19 outbreak and its effect on the global economy have continued to impact our organisation and our customers, and the future effects of the pandemic still remain uncertain. The economic impact of the pandemic has affected regions at different times and to varying degrees.

The various government support measures and restrictions put in place in response to the outbreak have created additional challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories are able to return to pre-Covid-19 levels of economic activity will vary based on the levels of continuing government support offered, the continuing levels of infection, and ability of governments to roll out vaccines across each country. While the approval and roll-out of vaccines during 2021 raised hopes that government restrictions will be lifted across all developed markets by the end of the year, there has been significant divergence in the speed at which vaccines have been deployed. Most developed countries have now vaccinated a large proportion of their populations, although take-up rates vary both within countries and across age groups. Many less developed countries have struggled to secure supplies and are at an earlier stage of their vaccination programmes. There remains uncertainty regarding the efficacy and side effects of the vaccines over various time horizons, particularly as new variants of the virus emerge. A full return to pre-pandemic levels of social interaction across all our key markets is unlikely in the short to medium term, despite the easing of government restrictions in many of these markets.

Our operations have been resilient throughout the Covid-19 pandemic. However, the operational support functions on which the Group relies are based in a number of countries worldwide, some of which, notably India, have been particularly affected by the Covid-19 pandemic and experienced a significant increase in infection rates during 2021. As a result, business continuity responses have been implemented and the majority of service level agreements have been maintained in locations where the Group operates. We continue to monitor the situation closely, in particular in those countries and regions where Covid-19 infections are most prevalent.

Our ECL models continue to be impacted by the pandemic, particularly as a result of the various government measures introduced to support borrowers during the outbreak. This continues to require enhanced monitoring of model outputs and the use of model overlays, including management judgemental adjustments based on the expert judgement of senior credit risk managers and the recalibration of key loss models to take into account the impacts of Covid-19 on critical model inputs. In addition, we have been responding to complex conduct considerations and heightened risk of fraud related to the varying government support measures and restrictions. The continued economic uncertainty from the pandemic could adversely impact our revenue assumptions, notably volume growth.

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## Geopolitical and macroeconomic risks

The trade and regulatory environment is becoming increasingly fragmented. The spread of the Covid-19 delta variant has been a major contributing factor to the disruption of supply chains in several industries globally. Supply chain disruptions are likely to create a headwind to continued recovery for the remainder of 2021. The mismatch between supply and demand has also impacted commodity prices and has created further challenges for monetary authorities. Central bank interest rates remain at historically low levels in developed markets, whereas in several emerging markets central banks have begun to tighten monetary policy to counter rising inflation. The vaccine-led economic recovery contributed to an increase in interest rate yields and a steepening of yield curves in our major markets in the first half of 2021. However, more recently, some segments of the financial markets have priced in a moderation in global GDP growth rates from 2022 as the post-Covid-19 rebound fades, and as Chinese policymakers take calibrated steps to curb domestic financial risks, resulting in some re-flattening of major market yield curves.

Recent market volatility reflects, to a certain extent, concerns about potential repercussions that may affect the wider Chinese and global economy resulting from the recent instability of China's real estate sector. Such repercussions may occur directly through financial exposures to the Chinese real estate sector, or indirectly through the effect of weaker Chinese economic activity on global supply chains and commodities demand and pricing. Using the Chinese government's 'three red lines' framework used to govern the real estate sector, at 30 September 2021 HSBC had no direct credit exposure to developers in the 'red' category, and limited exposure to clients categorised as 'orange'. We continue to monitor the situation closely, particularly potential indirect impacts that may arise, and seek to take mitigating actions as required.

Potential changes to tax legislation and tax rates in the countries in which we operate could increase the Group's effective tax rate in future periods as governments seek revenue sources to pay for the Covid-19 support packages that they have implemented. In October,

the finance ministers of 136 countries, including all G7 and G20 countries, reached agreement on the key principles with respect to the introduction of a global minimum tax rate of 15% by 2023. The financial impact on HSBC will depend significantly on the finalisation of several key aspects of the calculations. It is expected that detailed rules will be finalised during the fourth quarter of 2021. Given the uncertainty regarding the detail of the tax rules and the future profitability in each tax jurisdiction, we are not able to reliably estimate the potential impact at this stage.

Geopolitical tensions could also have potential ramifications for the Group and its customers. The relationship between the UK and the EU laid out in the Trade and Cooperation Agreement of December 2020 will take time to settle, and may give rise to intermittent disputes in the interim. Diplomatic tensions including between China and the US, the UK, the EU, India and other countries, and developments in Hong Kong and Taiwan, alongside other potential areas of tension, may affect the Group by creating regulatory, reputational and market risks. The US, the UK, the EU, Canada and other countries have imposed various sanctions and trade restrictions on Chinese persons and companies, and the US continues to advance the development of its framework for strategic competition with China. There is also increasing discussion in the US and Europe on multilateral efforts to address certain areas of disagreement with China, which may create a more complex operating environment for the Group and its customers. In response to foreign sanctions and trade restrictions, China has also announced a number of sanctions, trade restrictions and laws that could impact the Group and its customers. We continue to carefully monitor and seek to manage the potential implications of these developments.

The financial impact to the Group of geopolitical risks in Asia is heightened due to the strategic importance of the region in terms of profitability and prospects for growth. Business sentiment in some sectors in Hong Kong remains dampened, although the financial services sector has remained strong and has benefited from stable liquidity conditions.

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## **lbor transition**

During the third quarter of 2021, our interbank offered rate ('lbor') transition programme – which is tasked with the development of new near risk-free rate ('RFR') products and the transition from legacy lbor products – continued to engage with our clients, and finalise IT and operational changes necessary to facilitate an orderly transition from lbors to RFRs, or alternative benchmarks, such as policy interest rates. Following the announcement by ICE Benchmark Administration Limited in March 2021 to extend the publication of the US dollar London interbank offer rate ('Libor') to June 2023, the Group's transition programme is focusing mainly on client engagement for lbors demising from the end of 2021.

The Group's exposure to contracts referencing Libor interest rates that are demising from the end of 2021 has continued to reduce as a result of ceasing to provide sterling Libor cash and derivative products, in line with industry milestones and the transition of legacy contracts. With respect to the transition of our legacy contracts linked to Libor interest rates demising from the end of 2021, we have communicated with all impacted clients and plan to transition a significant amount of contracts by 31 December 2021. While client and market factors continue to present challenges in the transition process, the plans and actions being taken demonstrate that this is achievable dependent on the pace of market transition away from the demising benchmarks, and the responsiveness of our clients in agreeing the required changes.

We continue to participate in market-wide initiatives for the transition of derivative contracts and new RFR convention changes. We also continue to meet our clients to discuss loan contracts and we launched a consent solicitation to remediate lbor references in a number of the Group's English law-governed capital/MREL instruments. The key risks associated with the transition of these legacy contracts, including regulatory compliance risk, resilience risk, financial reporting risk, legal risk and market risk, continue to be actively managed and mitigated with focus on ensuring fair outcomes for clients are achieved. We will continue to carry out contractual legal repapering and rebooking activities, along with the negotiation of fallback provisions where active transition cannot be achieved. However, there may be a limited number of contracts that are difficult to transition (so-called 'tough legacy'), where we may need to rely on jurisdictional legislative solutions, to the extent possible.

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## **Credit risk**

### **Summary of credit risk**

At 30 September 2021, gross loans and advances to customers and banks of \$1,147bn increased by \$13bn, compared with 31 December 2020. This included adverse foreign exchange movements of \$16.4bn and a \$2.6bn decrease due to domestic mass market retail banking in the US being reclassified to assets held for sale.

Excluding foreign exchange movements, growth was driven by a \$17.9bn increase in personal loans and advances to customers and a \$15.7bn increase in loans and advances to banks. Wholesale loans and advances to customers decreased by \$4.2bn.

The increase in personal loans and advances to customers was driven by mortgage growth of \$16.8bn, mainly in the UK (up \$7.4bn), Hong Kong (up \$5.1bn) and Canada (up \$3.1bn). Personal loans and overdrafts increased by \$2.6bn, mainly in Hong Kong (up \$2.2bn). This was partly offset by a decrease of \$1.3bn in credit cards, mainly in the US (down \$0.9bn).

During the first nine months of 2021, the Group experienced a release in allowances for ECL, which was driven by improving economic forecasts, better than expected levels of credit performance and lower levels of stage 3 charges. Excluding foreign exchange movements, stage 1 and stage 2 allowances for ECL reduced by \$2.6bn and stage 3 by \$0.4bn.

Excluding foreign exchange movements, the allowance for ECL in relation to loans and advances to customers decreased by \$2.7bn from 31 December 2020. This was attributable to:

- a \$1.4bn decrease in wholesale loans and advances to customers, of which \$1.1bn was driven by stages 1 and 2; and
- a \$1.3bn decrease in personal loans and advances to customers, of which \$1.2bn was driven by stages 1 and 2.

At 30 September 2021, the allowance for ECL of \$12.4bn decreased by \$3.3bn compared with 31 December 2020, including favourable foreign exchange movements of \$0.3bn. The \$12.4bn allowance comprised \$11.9bn in respect of assets held at amortised cost, \$0.5bn in respect of loan commitments and financial guarantees, and \$0.1bn in respect of debt instruments measured at fair value through other comprehensive income ('FVOCI').

The ECL release for the first nine months of 2021 was \$1.4bn, inclusive of recoveries. This comprised: \$1.1bn in respect of wholesale lending, of which the stage 3 and purchased or originated credit impaired ('POCI') charge was \$0.3bn; \$0.4bn in respect of personal lending, of which the stage 3 charge was \$0.3bn; and \$0.1bn in respect of debt instruments measured at FVOCI, partly offset by a charge

## Earnings Release – 3Q21

of \$0.2bn in other financial assets measured at amortised cost. Uncertainty remains as countries emerge from the pandemic at different speeds, government support measures unwind and supply chain interruptions contribute to rising inflation.

### Summary of financial instruments to which the impairment requirements in IFRS 9 are applied

	At 30 Sep 2021		At 31 Dec 2020	
	Gross carrying/ nominal amount	Allowance for ECL <sup>1</sup>	Gross carrying/ nominal amount	Allowance for ECL <sup>1</sup>
	\$m	\$m	\$m	\$m
Loans and advances to customers at amortised cost	1,051,186	(11,509)	1,052,477	(14,490)
– personal	472,078	(3,335)	460,809	(4,731)
– corporate and commercial	513,853	(8,042)	527,088	(9,494)
– non-bank financial institutions	65,255	(132)	64,580	(265)
Loans and advances to banks at amortised cost	95,988	(14)	81,658	(42)
Other financial assets measured at amortised cost	884,955	(328)	772,408	(175)
– cash and balances at central banks	409,922	(4)	304,486	(5)
– items in the course of collection from other banks	6,384	–	4,094	–
– Hong Kong Government certificates of indebtedness	41,476	–	40,420	–
– reverse repurchase agreements – non-trading	211,035	–	230,628	–
– financial investments	87,376	(82)	88,719	(80)
– prepayments, accrued income and other assets <sup>2</sup>	128,762	(242)	104,061	(90)
<b>Total gross carrying amount on-balance sheet</b>	<b>2,032,129</b>	<b>(11,851)</b>	<b>1,906,543</b>	<b>(14,707)</b>
Loans and other credit-related commitments	652,767	(389)	659,783	(734)
– personal	238,036	(21)	236,170	(40)
– corporate and commercial	281,609	(346)	299,802	(650)
– financial	133,122	(22)	123,811	(44)
Financial guarantees	27,304	(71)	18,384	(125)
– personal	852	–	900	(1)
– corporate and commercial	22,252	(67)	12,946	(114)
– financial	4,200	(4)	4,538	(10)
<b>Total nominal amount off-balance sheet<sup>3</sup></b>	<b>680,071</b>	<b>(460)</b>	<b>678,167</b>	<b>(859)</b>
	<b>2,712,200</b>	<b>(12,311)</b>	<b>2,584,710</b>	<b>(15,566)</b>
	Fair value	Memorandum allowance for ECL <sup>4</sup>	Fair value	Memorandum allowance for ECL <sup>4</sup>
	\$m	\$m	\$m	\$m
<b>Debt instruments measured at fair value through other comprehensive income ('FVOCI')</b>	<b>339,698</b>	<b>(91)</b>	<b>399,717</b>	<b>(141)</b>

1 The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.

2 Includes only those financial instruments that are subject to the impairment requirements of IFRS 9. 'Prepayments, accrued income and other assets' as presented within the summary consolidated balance sheet on page 11 includes both financial and non-financial assets. The 30 September 2021 balances include \$2,601m gross carrying amounts and \$35m allowances for ECL related to domestic mass market retail banking in the US reported under assets held for sale.

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

4 Debt instruments measured at FVOCI continue to be measured at fair value with the allowance for ECL as a memorandum item. Change in ECL is recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 30 September 2021

	Gross carrying/nominal amount <sup>1</sup>					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers at amortised cost	883,967	148,452	18,558	209	1,051,186	(1,410)	(3,126)	(6,898)	(75)	(11,509)	0.2	2.1	37.2	35.9	1.1
– personal	449,422	17,483	5,173	–	472,078	(598)	(1,423)	(1,314)	–	(3,335)	0.1	8.1	25.4	–	0.7
– corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)	0.2	1.3	42.7	35.9	1.6
– non-bank financial institutions	58,516	6,319	420	–	65,255	(34)	(56)	(42)	–	(132)	0.1	0.9	10.0	–	0.2
Loans and advances to banks at amortised cost	94,540	1,448	–	–	95,988	(9)	(5)	–	–	(14)	–	0.3	–	–	–
Other financial assets measured at amortised cost	878,031	6,571	311	42	884,955	(133)	(132)	(57)	(6)	(328)	–	2.0	18.3	14.3	–
Loan and other credit-related commitments	612,789	39,209	768	1	652,767	(156)	(176)	(57)	–	(389)	–	0.4	7.4	–	0.1
– personal	236,203	1,677	156	–	238,036	(20)	(1)	–	–	(21)	–	0.1	–	–	–
– corporate and commercial	246,578	34,420	610	1	281,609	(121)	(168)	(57)	–	(346)	–	0.5	9.3	–	0.1
– financial	130,008	3,112	2	–	133,122	(15)	(7)	–	–	(22)	–	0.2	–	–	–
Financial guarantees	23,759	3,285	259	1	27,304	(13)	(27)	(31)	–	(71)	0.1	0.8	12.0	–	0.3
– personal	836	15	1	–	852	–	–	–	–	–	–	–	–	–	–
– corporate and commercial	19,436	2,572	243	1	22,252	(11)	(26)	(30)	–	(67)	0.1	1.0	12.3	–	0.3
– financial	3,487	698	15	–	4,200	(2)	(1)	(1)	–	(4)	0.1	0.1	6.7	–	0.1
<b>At 30 Sep 2021</b>	<b>2,493,086</b>	<b>198,965</b>	<b>19,896</b>	<b>253</b>	<b>2,712,200</b>	<b>(1,721)</b>	<b>(3,466)</b>	<b>(7,043)</b>	<b>(81)</b>	<b>(12,311)</b>	<b>0.1</b>	<b>1.7</b>	<b>35.4</b>	<b>32.0</b>	<b>0.5</b>

Stage 2 days past due analysis at 30 September 2021

	Gross carrying/nominal amount <sup>1</sup>				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%
Loans and advances to customers at amortised cost	148,452	145,122	2,038	1,292	(3,126)	(2,727)	(196)	(203)	2.1	1.9	9.6	15.7
– personal	17,483	15,392	1,280	811	(1,423)	(1,070)	(170)	(183)	8.1	7.0	13.3	22.6
– corporate and commercial	124,650	123,503	674	473	(1,647)	(1,602)	(25)	(20)	1.3	1.3	3.7	4.2
– non-bank financial institutions	6,319	6,227	84	8	(56)	(55)	(1)	–	0.9	0.9	1.2	–
Loans and advances to banks at amortised cost	1,448	1,448	–	–	(5)	(5)	–	–	0.3	0.3	–	–
Other financial assets measured at amortised cost	6,571	6,495	36	40	(132)	(111)	(12)	(9)	2.0	1.7	33.3	22.5

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

<sup>2</sup> Purchased or originated credit-impaired ('POCI').

<sup>3</sup> Days past due ('DPD').

<sup>4</sup> The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.



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

	Gross carrying/nominal amount <sup>1</sup>					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers at amortised cost	869,920	163,185	19,095	277	1,052,477	(1,974)	(4,965)	(7,439)	(112)	(14,490)	0.2	3.0	39.0	40.4	1.4
– personal	430,134	25,064	5,611	–	460,809	(827)	(2,402)	(1,502)	–	(4,731)	0.2	9.6	26.8	–	1.0
– corporate and commercial	387,563	126,287	12,961	277	527,088	(1,101)	(2,444)	(5,837)	(112)	(9,494)	0.3	1.9	45.0	40.4	1.8
– non-bank financial institutions	52,223	11,834	523	–	64,580	(46)	(119)	(100)	–	(265)	0.1	1.0	19.1	–	0.4
Loans and advances to banks at amortised cost	79,654	2,004	–	–	81,658	(33)	(9)	–	–	(42)	–	0.4	–	–	0.1
Other financial assets measured at amortised cost	768,216	3,975	177	40	772,408	(80)	(44)	(42)	(9)	(175)	–	1.1	23.7	22.5	–
Loan and other credit-related commitments	604,485	54,217	1,080	1	659,783	(290)	(365)	(78)	(1)	(734)	–	0.7	7.2	100.0	0.1
– personal	234,337	1,681	152	–	236,170	(39)	(1)	–	–	(40)	–	0.1	–	–	–
– corporate and commercial	253,062	45,851	888	1	299,802	(236)	(338)	(75)	(1)	(650)	0.1	0.7	8.4	100.0	0.2
– financial	117,086	6,685	40	–	123,811	(15)	(26)	(3)	–	(44)	–	0.4	7.5	–	–
Financial guarantees	14,090	4,024	269	1	18,384	(37)	(62)	(26)	–	(125)	0.3	1.5	9.7	–	0.7
– personal	872	26	2	–	900	–	(1)	–	–	(1)	–	3.8	–	–	0.1
– corporate and commercial	9,536	3,157	252	1	12,946	(35)	(54)	(25)	–	(114)	0.4	1.7	9.9	–	0.9
– financial	3,682	841	15	–	4,538	(2)	(7)	(1)	–	(10)	0.1	0.8	6.7	–	0.2
At 31 Dec 2020	2,336,365	227,405	20,621	319	2,584,710	(2,414)	(5,445)	(7,585)	(122)	(15,566)	0.1	2.4	36.8	38.2	0.6

### Stage 2 days past due analysis at 31 December 2020

	Gross carrying/nominal amount <sup>1</sup>				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>3,4</sup>	30 and > DPD <sup>3,4</sup>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%
Loans and advances to customers at amortised cost	163,185	159,367	2,052	1,766	(4,965)	(4,358)	(275)	(332)	3.0	2.7	13.4	18.8
– personal	25,064	22,250	1,554	1,260	(2,402)	(1,895)	(227)	(280)	9.6	8.5	14.6	22.2
– corporate and commercial	126,287	125,301	489	497	(2,444)	(2,344)	(48)	(52)	1.9	1.9	9.8	10.5
– non-bank financial institutions	11,834	11,816	9	9	(119)	(119)	–	–	1.0	1.0	–	–
Loans and advances to banks at amortised cost	2,004	2,004	–	–	(9)	(9)	–	–	0.4	0.4	–	–
Other financial assets measured at amortised cost	3,975	3,963	3	9	(44)	(44)	–	–	1.1	1.1	–	–

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

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

3 Days past due ('DPD').

4 The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.

### Measurement uncertainty and sensitivity analysis of ECL estimates

While there has been continued improvement in the economic outlook in the quarter, there remains a high degree of uncertainty as countries recover from the pandemic at different rates, government support measures unwind and new virus strains test the efficacy of vaccination programmes. As a result of this uncertainty, management judgements and estimates reflect a degree of caution. During 2020, stage 1 and stage 2 ECL provisions on loans increased by \$3.9bn, reflecting mainly the evolution of the global pandemic, and while they reduced by \$2.7bn in the nine months of 2021 as economic conditions recovered, \$1.2bn of the 2020 uplift remained at 30 September 2021 (\$1.1bn wholesale and \$0.1bn retail). Caution is reflected both in the selection of economic scenarios and their weightings, and in the management judgemental adjustments, which reflect how economic conditions interact with modelled outcomes, and are described in more detail below.

The recognition and measurement of ECL involves the use of significant judgement and estimation. We form multiple economic scenarios based on economic forecasts, apply these assumptions to credit risk models to estimate future credit losses, and probability-weight the results to determine an unbiased ECL estimate.

#### Methodology

Four economic scenarios have been used to capture the exceptional nature of the current economic environment and to articulate management's view of the range of potential outcomes. Three of these scenarios are drawn from consensus forecasts and distributional estimates. Management has chosen an additional scenario to represent its view of severe downside risks. Scenarios produced to calculate ECL are aligned to HSBC's top and emerging risks.

## Description of economic scenarios

The economic assumptions presented in this section have been formed by HSBC, with reference to external forecasts specifically for the purpose of calculating ECL.

The end of government restrictions and the global roll-out of vaccines have supported a strong recovery in the world economy in 2021 following an unprecedented contraction in 2020. More than half of the populations of the UK, the US, Hong Kong and mainland China are now fully vaccinated, which has facilitated the reduction of hospitalisations and deaths, despite a resurgence in new cases in some markets. This has allowed further reopening and some resumption of travel. It is likely that multi-year vaccination programmes will be needed and that the divide between developed and developing countries will persist. The emergence of new variants that reduce the efficacy of vaccines and vaccine hesitancy remains a risk.

Economic forecasts are subject to a high degree of uncertainty in the current environment. While risks to the economic outlook are dominated by the progression and management of the pandemic and vaccine roll-out, geopolitical risks also present downside threats. These risks include continued differences between the US and China over a range of issues, dampened business sentiment in Hong Kong and the evolution of the UK's relationship with the EU.

Four global scenarios have been used for the purpose of calculating ECL at 30 September 2021. These are the consensus Central scenario, the consensus Upside scenario, the consensus Downside scenario and an additional Downside scenario.

- The consensus Central scenario: This scenario features a recovery in economic activity in 2021, supported by a successful roll-out of vaccination programmes and the ending of government restrictions on mobility across our major markets. Government support programmes will continue to assist labour markets, households and firms, while economic activity and unemployment will recover back to their pre-Covid-19 levels.
- The consensus Upside scenario: This scenario features a faster recovery in economic activity in the near term, compared with the consensus Central scenario, with GDP growth returning to pre-Covid-19 levels in 2021 in Hong Kong, mainland China and the US.
- The consensus Downside scenario: This scenario features a considerably weaker recovery in economic activity compared with the Central scenario. In this scenario, growth remains weak, unemployment rates stay elevated and equity markets and house prices contract.
- The additional Downside scenario: This scenario reflects management's view of tail risks and features a second severe and prolonged recession.

Both the consensus Downside and the additional Downside scenarios are global in nature, and while they differ in severity, they assume that the key risks to HSBC, listed above, crystallise simultaneously.

The range of macroeconomic projections across the various scenarios is shown in the table below:

### Macroeconomic projections in key markets

	Central scenario				Consensus Upside			Consensus Downside			Additional Downside		
	Five-year average	2021	2022	2023	Five-year average	Best outcome	Five-year average	Worst outcome	Five-year average	Worst outcome	Five-year average	Worst outcome	
<b>Hong Kong</b>													
GDP growth rate (%)	2.7	6.5	3.0	2.7	4.8	11.9	(3Q22)	0.7	(5.1)	(1Q22)	0.9	(8.6)	(3Q22)
Unemployment rate (%)	4.0	5.8	4.5	4.0	3.6	3.1	(4Q22)	4.8	6.8	(4Q21)	5.5	7.1	(4Q21)
House price growth (%)	3.2	3.2	5.0	3.6	4.5	9.6	(3Q22)	(0.1)	(8.5)	(3Q22)	(1.4)	(16.3)	(3Q22)
<b>Mainland China</b>													
GDP growth rate (%)	5.0	8.6	5.6	5.3	7.3	15.4	(3Q22)	3.4	(1.0)	(2Q22)	3.2	(6.9)	(3Q22)
Unemployment rate (%)	3.8	3.8	3.8	3.7	3.7	3.4	(3Q22)	3.9	4.1	(1Q22)	5.0	5.6	(3Q23)
House price growth (%)	4.9	4.5	6.5	5.3	7.0	15.8	(3Q22)	3.8	1.2	(3Q22)	(1.4)	(20.5)	(3Q22)
<b>UK</b>													
GDP growth rate (%)	2.8	6.6	5.3	2.1	4.1	10.1	(1Q22)	1.8	(0.2)	(3Q23)	2.0	(3.7)	(2Q22)
Unemployment rate (%)	4.5	5.1	5.1	4.6	4.1	3.5	(3Q23)	5.1	6.2	(3Q22)	7.0	8.0	(1Q23)
House price growth (%)	2.8	9.0	2.8	2.5	4.0	7.2	(4Q21)	0.8	(3.9)	(3Q22)	(2.5)	(13.9)	(1Q23)
<b>US</b>													
GDP growth rate (%)	2.7	6.5	4.1	2.3	4.4	10.8	(1Q22)	1.2	(2.3)	(3Q22)	1.4	(4.6)	(3Q22)
Unemployment rate (%)	4.0	5.5	4.3	4.1	3.3	2.0	(2Q22)	4.8	6.7	(2Q22)	8.8	11.0	(3Q23)
House price growth (%)	5.7	13.7	9.2	5.5	6.7	13.9	(4Q21)	4.9	3.8	(1Q23)	3.5	(4.2)	(3Q22)

Note: The 'worst' or the 'best' outcome refers to the quarter that is either the trough or peak in the respective variable, in the first two years of the scenario.

Scenario weights are consistent with those applied at 30 June 2021 with the exception of the UK. The UK consensus Central scenario probability weighting has increased to 60% (30 June 2021: 50%) and the consensus Upside scenario weighting has increased to 10% (30 June 2021: 5%), with corresponding decreases in the consensus Downside scenario to 20% (30 June 2021: 30%) and the additional Downside scenario to 10% (30 June 2021: 15%). Progress in the vaccine roll-out programme, accompanied by a recovery in economic activity following the end of government restrictions on mobility, led to management attaching a greater probability to the Central scenario in the UK.

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### Management judgemental adjustments

In the context of IFRS 9, management judgemental adjustments are typically short-term increases or decreases to the ECL at either a customer, segment or portfolio level to account for late-breaking events, model deficiencies and other assessments applied during management review and challenge.

At 30 September 2021, management judgements were applied to reflect credit risk dynamics not captured by our models. The drivers of the management judgemental adjustments reflect the improvement in the overall economic outlook and continue to evolve with the economic environment.

Where the macroeconomic and portfolio risk outlook continues to improve, supported by low levels of observed defaults, adjustments initially taken to reflect increased risk expectations have been retired or reduced.

However, other adjustments have increased where modelled outcomes are overly sensitive and not aligned to observed changes in the risk of the underlying portfolios during the pandemic, or where sector-specific risks are not adequately captured.

We have internal governance in place to monitor management judgemental adjustments regularly and, where possible, to reduce the reliance on these through model recalibration or redevelopment, as appropriate.

Management judgemental adjustments made in estimating the reported ECL at 30 September 2021 are set out in the following table. The table includes adjustments in relation to data and model limitations resulting from the pandemic, and as a result of the regular process of model development and implementation. It shows the adjustments applicable to the scenario-weighted ECL numbers.

#### Management judgemental adjustments to ECL at 30 September 2021<sup>1</sup>

	Retail \$bn	Wholesale \$bn	Total \$bn
Low-risk counterparties (banks, sovereigns and government entities)	0.1	(0.1)	—
Corporate lending adjustments		0.9	0.9
Retail lending probability of default adjustments			—
Retail model default timing adjustments	0.2		0.2
Macroeconomic-related adjustments	0.4		0.4
Pandemic-related economic recovery adjustments	0.1		0.1
Other retail lending adjustments	0.3		0.3
<b>Total</b>	<b>1.0</b>	<b>0.8</b>	<b>1.8</b>

#### Management judgemental adjustments to ECL at 31 December 2020<sup>1</sup>

	Retail \$bn	Wholesale \$bn	Total \$bn
Low-risk counterparties (banks, sovereigns and government entities)		(0.7)	(0.7)
Corporate lending adjustments		0.5	0.5
Retail lending probability of default adjustments	(0.8)		(0.8)
Retail model default timing adjustment	1.9		1.9
Macroeconomic-related adjustments	0.1		0.1
Pandemic-related economic recovery adjustments			—
Other retail lending adjustments	0.3		0.3
<b>Total</b>	<b>1.5</b>	<b>(0.2)</b>	<b>1.3</b>

<sup>1</sup> Management judgemental adjustments presented in the table reflect increases or (decreases) to ECL, respectively.

In the wholesale portfolio, management judgemental adjustments were an ECL increase of \$0.8bn at 30 September 2021 (31 December 2020: \$0.2bn decrease).

- Adjustments relating to low-credit-risk exposures decreased ECL by \$0.1bn at 30 September 2021 (31 December 2020: \$0.7bn decrease). These were mainly to highly rated banks, sovereigns and US government-sponsored entities, where modelled credit factors did not fully reflect the underlying fundamentals of these entities or the effect of government support and economic programmes in the Covid-19 environment. The decrease in adjustment impact relative to 31 December 2020 was mostly driven by increased alignment of modelled outcomes to management expectations following changes in systems and data.
- Adjustments to corporate exposures increased ECL by \$0.9bn at 30 September 2021 (31 December 2020: \$0.5bn increase). These principally reflected the outcome of management judgements for high-risk and vulnerable sectors in some of our key markets, supported by credit experts' input, portfolio risk metrics, quantitative analyses and benchmarks. Considerations include risk of individual exposures under different macroeconomic scenarios and comparison of key risk metrics to pre-pandemic levels, resulting in either releases or increases to ECL in each geography. The increase in adjustment impact relative to 31 December 2020 was mostly driven by management judgements as a result of the effect of further improvement of macroeconomic scenarios on modelled outcomes and increased dislocation of modelled outcomes to management expectations for high-risk sectors.

At 30 September 2021, the above adjustments included a reduction to ECL of \$0.5bn for India to address overly sensitive modelled results related to severe projections of macroeconomic variables that are outside of the historical observations of which IFRS 9 models have been built and calibrated. Excluding this adjustment, the increase to ECL was \$1.4bn, which is similar to the adjustment amount to corporate exposures reported at 30 June 2021.

In the retail portfolio, management judgemental adjustments were an ECL increase of \$1.0bn at 30 September 2021 (31 December 2020: \$1.5bn increase).

- Retail model default suppression adjustments increased ECL by \$0.2bn (31 December 2020: \$1.9bn increase). The lower adjustment reflects management's judgement that this applies to a fewer number of economies given the reduced risk that defaults are being delayed as customer relief and government support programmes are wound down with continued improvement in macroeconomic forecasts.
- Macroeconomic-related adjustments increased ECL by \$0.4bn (31 December 2020: \$0.1bn increase). These adjustments are primarily in relation to country-specific risks related to future macroeconomic conditions and the impacts on credit performance. Included

within this category was \$0.2bn for the UK, where the economic outlook remains uncertain in relation to credit performance following the conclusion of the furlough scheme, supply chain issues and inflation.

- Pandemic-related economic recovery adjustments increased ECL by \$0.1bn (31 December 2020: \$0) to adjust for the effects of the volatile pace of recovery from the pandemic where in management's judgement this leads to modelled outcomes that are overly sensitive given the limited observed deterioration in the underlying portfolio during the pandemic.
- Other retail lending adjustments increased ECL by \$0.3bn (31 December 2020: \$0.3bn increase). There was no significant change from the year end.
- Retail lending probability of default adjustments were not required at 3Q21 as the projections of macroeconomic variables are now fully within the boundaries of historical observation on which IFRS 9 models have been built and calibrated to operate.

### Economic scenarios sensitivity analysis of ECL estimates

Management considered the sensitivity of the ECL outcome against the economic forecasts as part of the ECL governance process by recalculating the ECL under each scenario described above for selected portfolios, applying a 100% weighting to each scenario in turn. The weighting is reflected in both the determination of a significant increase in credit risk and the measurement of the resulting ECL.

The ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes. The impact of defaults that might occur in the future under different economic scenarios is captured by recalculating ECL for loans in stages 1 and 2 at the balance sheet date. The population of stage 3 loans (in default) at the balance sheet date is unchanged in these sensitivity calculations. Stage 3 ECL would only be sensitive to changes in forecasts of future economic conditions if the loss-given default of a particular portfolio was sensitive to these changes.

There is a particularly high degree of estimation uncertainty in numbers representing tail risk scenarios when assigned a 100% weighting.

For wholesale credit risk exposures, the sensitivity analysis excludes ECL for financial instruments related to defaulted obligors because the measurement of ECL is relatively more sensitive to credit factors specific to the obligor than future economic scenarios. Therefore, it is impracticable to separate the effect of macroeconomic factors in individual assessments.

For retail credit risk exposures, the sensitivity analysis includes ECL for loans and advances to customers related to defaulted obligors. This is because the retail ECL for secured mortgage portfolios, including loans in all stages, is sensitive to macroeconomic variables.

### Group ECL sensitivity results

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 Group ECL balance (excluding wholesale stage 3, which is assessed individually) was estimated solely on the basis of the Central scenario, Upside scenario, Downside scenario or the additional Downside scenario at 30 September 2021, it would increase/(decrease) as presented in the below sensitivity table.

<b>Total Group ECL at 30 September 2021</b>	<b>Retail<sup>1</sup></b>	<b>Wholesale<sup>2</sup></b>
	<b>\$bn</b>	<b>\$bn</b>
Reported ECL	<b>3.3</b>	<b>3.0</b>
<b>Scenarios</b>		
100% consensus Central scenario	<b>(0.2)</b>	<b>(0.4)</b>
100% consensus Upside scenario	<b>(0.4)</b>	<b>(1.1)</b>
100% consensus Downside scenario	<b>0.2</b>	<b>0.9</b>
100% additional Downside scenario	<b>1.4</b>	<b>4.1</b>
	Retail <sup>1</sup>	Wholesale <sup>2</sup>
	\$bn	\$bn
Total Group ECL at 31 December 2020		
Reported ECL	4.5	4.5
Scenarios		
100% consensus Central scenario	(0.3)	(0.9)
100% consensus Upside scenario	(1.0)	(2.0)
100% consensus Downside scenario	0.3	1.0
100% additional Downside scenario	1.3	5.9

<sup>1</sup> ECL sensitivities exclude portfolios utilising less complex modelling approaches.

<sup>2</sup> Includes low credit-risk financial instruments, such as debt instruments at FVOCI, which have high carrying values but low ECL under all the scenarios.

At 30 September 2021, Group ECL sensitivity decreased across all scenarios compared with 31 December 2020, driven by the improvement of macroeconomic forecasts.

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### Personal lending

Total personal lending for loans and advances to customers by stage distribution

	Gross carrying amount				Allowance for ECL			
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
<b>By portfolio</b>								
First lien residential mortgages	353,030	8,575	3,189	364,794	(97)	(137)	(456)	(690)
– of which:								
interest only (including offset)	28,262	2,006	261	30,529	(5)	(23)	(77)	(105)
affordability (including US adjustable rate mortgages)	13,348	932	469	14,749	(9)	(5)	(6)	(20)
Other personal lending	96,392	8,908	1,984	107,284	(501)	(1,286)	(858)	(2,645)
– other	77,616	4,487	1,551	83,654	(279)	(522)	(590)	(1,391)
– credit cards	17,058	4,188	390	21,636	(214)	(752)	(254)	(1,220)
– second lien residential mortgages	323	45	38	406	(1)	(4)	(9)	(14)
– motor vehicle finance	1,395	188	5	1,588	(7)	(8)	(5)	(20)
<b>At 30 Sep 2021</b>	<b>449,422</b>	<b>17,483</b>	<b>5,173</b>	<b>472,078</b>	<b>(598)</b>	<b>(1,423)</b>	<b>(1,314)</b>	<b>(3,335)</b>
<b>By geography</b>								
Europe	208,721	6,097	2,262	217,080	(199)	(718)	(671)	(1,588)
– of which: UK	172,344	5,522	1,537	179,403	(175)	(686)	(423)	(1,284)
Asia	184,553	8,445	1,361	194,359	(154)	(378)	(249)	(781)
– of which: Hong Kong	125,133	4,995	192	130,320	(66)	(230)	(43)	(339)
MENA	4,961	273	208	5,442	(43)	(45)	(125)	(213)
North America	43,196	1,984	1,032	46,212	(28)	(64)	(114)	(206)
Latin America	7,991	684	310	8,985	(174)	(218)	(155)	(547)
<b>At 30 Sep 2021</b>	<b>449,422</b>	<b>17,483</b>	<b>5,173</b>	<b>472,078</b>	<b>(598)</b>	<b>(1,423)</b>	<b>(1,314)</b>	<b>(3,335)</b>
By portfolio								
First lien residential mortgages	336,666	12,233	3,383	352,282	(125)	(188)	(442)	(755)
– of which:								
interest only (including offset)	29,143	3,074	351	32,568	(9)	(19)	(88)	(116)
affordability (including US adjustable rate mortgages)	13,265	2,209	606	16,080	(11)	(11)	(5)	(27)
Other personal lending	93,468	12,831	2,228	108,527	(702)	(2,214)	(1,060)	(3,976)
– other	74,174	7,288	1,489	82,951	(305)	(914)	(665)	(1,884)
– credit cards	17,327	5,292	680	23,299	(386)	(1,281)	(380)	(2,047)
– second lien residential mortgages	593	100	51	744	(3)	(9)	(10)	(22)
– motor vehicle finance	1,374	151	8	1,533	(8)	(10)	(5)	(23)
<b>At 31 Dec 2020</b>	<b>430,134</b>	<b>25,064</b>	<b>5,611</b>	<b>460,809</b>	<b>(827)</b>	<b>(2,402)</b>	<b>(1,502)</b>	<b>(4,731)</b>
By geography								
Europe	200,120	11,032	2,511	213,663	(247)	(1,271)	(826)	(2,344)
– of which: UK	163,338	9,476	1,721	174,535	(223)	(1,230)	(545)	(1,998)
Asia	178,175	7,969	1,169	187,313	(234)	(446)	(241)	(921)
– of which: Hong Kong	118,252	5,133	206	123,591	(102)	(237)	(48)	(387)
MENA	4,879	403	251	5,533	(54)	(112)	(152)	(318)
North America	40,387	4,613	1,378	46,378	(93)	(200)	(132)	(425)
Latin America	6,573	1,047	302	7,922	(199)	(373)	(151)	(723)
<b>At 31 Dec 2020</b>	<b>430,134</b>	<b>25,064</b>	<b>5,611</b>	<b>460,809</b>	<b>(827)</b>	<b>(2,402)</b>	<b>(1,502)</b>	<b>(4,731)</b>

## Wholesale lending

Total wholesale lending for loans and advances to banks and customers at amortised cost

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)
– agriculture, forestry and fishing	6,659	867	377	1	7,904	(10)	(23)	(103)	(1)	(137)
– mining and quarrying	7,499	2,632	506	16	10,653	(15)	(55)	(161)	(12)	(243)
– manufacture	68,012	22,856	1,997	74	92,939	(127)	(264)	(909)	(35)	(1,335)
– electricity, gas, steam and air-conditioning supply	12,661	2,289	64	–	15,014	(13)	(20)	(23)	–	(56)
– water supply, sewerage, waste management and remediation	3,116	429	48	–	3,593	(4)	(5)	(24)	–	(33)
– construction	9,250	4,494	752	1	14,497	(29)	(47)	(422)	(1)	(499)
– wholesale and retail trade, repair of motor vehicles and motorcycles	72,822	21,028	2,957	8	96,815	(105)	(202)	(1,953)	(1)	(2,261)
– transportation and storage	20,086	8,253	706	10	29,055	(53)	(119)	(230)	–	(402)
– accommodation and food	7,399	15,224	1,019	1	23,643	(80)	(297)	(122)	(1)	(500)
– publishing, audiovisual and broadcasting	17,231	2,618	190	26	20,065	(39)	(34)	(40)	(5)	(118)
– real estate	93,129	25,407	1,934	1	120,471	(163)	(286)	(697)	–	(1,146)
– professional, scientific and technical activities	14,753	4,451	701	32	19,937	(25)	(47)	(170)	(7)	(249)
– administrative and support services	18,759	7,725	838	39	27,361	(25)	(87)	(337)	(12)	(461)
– public administration and defence, compulsory social security	1,242	375	–	–	1,617	(7)	(3)	–	–	(10)
– education	1,477	455	34	–	1,966	(5)	(8)	(6)	–	(19)
– health and care	4,077	1,032	166	–	5,275	(10)	(24)	(40)	–	(74)
– arts, entertainment and recreation	729	1,856	227	–	2,812	(8)	(51)	(55)	–	(114)
– other services	9,453	1,832	448	–	11,733	(58)	(55)	(249)	–	(362)
– activities of households	728	114	–	–	842	–	–	–	–	–
– extra-territorial organisations and bodies activities	16	–	–	–	16	–	–	–	–	–
– government	6,596	699	1	–	7,296	(2)	(10)	(1)	–	(13)
– asset-backed securities	335	14	–	–	349	–	(10)	–	–	(10)
Non-bank financial institutions	58,516	6,319	420	–	65,255	(34)	(56)	(42)	–	(132)
Loans and advances to banks	94,540	1,448	–	–	95,988	(9)	(5)	–	–	(14)
<b>At 30 Sep 2021</b>	<b>529,085</b>	<b>132,417</b>	<b>13,385</b>	<b>209</b>	<b>675,096</b>	<b>(821)</b>	<b>(1,708)</b>	<b>(5,584)</b>	<b>(75)</b>	<b>(8,188)</b>
<b>By geography</b>										
Europe	148,908	42,927	6,643	74	198,552	(403)	(805)	(1,805)	(18)	(3,031)
– of which: UK	100,639	34,394	4,837	26	139,896	(357)	(663)	(1,052)	(5)	(2,077)
Asia	289,851	71,168	3,617	90	364,726	(212)	(472)	(2,190)	(45)	(2,919)
– of which: Hong Kong	163,641	45,664	1,675	40	211,020	(135)	(278)	(745)	(22)	(1,180)
MENA	24,505	5,661	1,679	22	31,867	(79)	(108)	(1,042)	(11)	(1,240)
North America	54,349	9,873	681	–	64,903	(54)	(206)	(201)	–	(461)
Latin America	11,472	2,788	765	23	15,048	(73)	(117)	(346)	(1)	(537)
<b>At 30 Sep 2021</b>	<b>529,085</b>	<b>132,417</b>	<b>13,385</b>	<b>209</b>	<b>675,096</b>	<b>(821)</b>	<b>(1,708)</b>	<b>(5,584)</b>	<b>(75)</b>	<b>(8,188)</b>



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### Total wholesale lending for loans and advances to banks and customers at amortised cost (continued)

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Corporate and commercial	387,563	126,287	12,961	277	527,088	(1,101)	(2,444)	(5,837)	(112)	(9,494)
– agriculture, forestry and fishing	6,087	1,026	331	1	7,445	(12)	(45)	(149)	(1)	(207)
– mining and quarrying	7,429	3,705	797	16	11,947	(33)	(112)	(209)	(11)	(365)
– manufacture	68,179	23,564	2,076	87	93,906	(201)	(442)	(905)	(40)	(1,588)
– electricity, gas, steam and air-conditioning supply	14,240	1,907	53	–	16,200	(25)	(40)	(8)	–	(73)
– water supply, sewerage, waste management and remediation	2,874	253	47	–	3,174	(8)	(7)	(22)	–	(37)
– construction	9,368	4,455	773	4	14,600	(42)	(118)	(426)	(4)	(590)
– wholesale and retail trade, repair of motor vehicles and motorcycles	65,937	21,518	3,196	12	90,663	(174)	(326)	(2,029)	(3)	(2,532)
– transportation and storage	19,510	9,143	769	11	29,433	(90)	(163)	(240)	–	(493)
– accommodation and food	10,616	14,918	536	1	26,071	(76)	(285)	(129)	(1)	(491)
– publishing, audiovisual and broadcasting	17,019	2,796	131	33	19,979	(45)	(85)	(39)	(20)	(189)
– real estate	102,933	22,186	1,907	1	127,027	(169)	(260)	(738)	–	(1,167)
– professional, scientific and technical activities	17,162	6,379	498	33	24,072	(56)	(149)	(185)	(8)	(398)
– administrative and support services	17,085	8,361	907	70	26,423	(66)	(153)	(291)	(24)	(534)
– public administration and defence, compulsory social security	1,530	475	3	–	2,008	(2)	(11)	(1)	–	(14)
– education	1,402	691	29	–	2,122	(12)	(20)	(9)	–	(41)
– health and care	4,049	1,192	261	8	5,510	(21)	(45)	(120)	–	(186)
– arts, entertainment and recreation	1,631	1,570	236	–	3,437	(9)	(62)	(87)	–	(158)
– other services	11,380	1,320	410	–	13,110	(54)	(105)	(249)	–	(408)
– activities of households	660	142	–	–	802	–	(1)	–	–	(1)
– extra-territorial organisations and bodies activities	10	–	–	–	10	–	–	–	–	–
– government	7,866	671	1	–	8,538	(6)	(2)	(1)	–	(9)
– asset-backed securities	596	15	–	–	611	–	(13)	–	–	(13)
Non-bank financial institutions	52,223	11,834	523	–	64,580	(46)	(119)	(100)	–	(265)
Loans and advances to banks	79,654	2,004	–	–	81,658	(33)	(9)	–	–	(42)
At 31 Dec 2020	519,440	140,125	13,484	277	673,326	(1,180)	(2,572)	(5,937)	(112)	(9,801)
By geography										
Europe	156,474	51,708	6,531	109	214,822	(589)	(1,400)	(2,097)	(51)	(4,137)
– of which: UK	104,534	40,454	4,712	53	149,753	(536)	(1,234)	(1,320)	(33)	(3,123)
Asia	279,985	58,159	3,443	106	341,693	(337)	(383)	(2,040)	(43)	(2,803)
– of which: Hong Kong	156,817	39,257	1,637	45	197,756	(162)	(260)	(751)	(23)	(1,196)
MENA	24,753	7,893	1,952	30	34,628	(91)	(216)	(1,205)	(12)	(1,524)
North America	46,852	18,220	913	–	65,985	(77)	(302)	(281)	–	(660)
Latin America	11,376	4,145	645	32	16,198	(86)	(271)	(314)	(6)	(677)
At 31 Dec 2020	519,440	140,125	13,484	277	673,326	(1,180)	(2,572)	(5,937)	(112)	(9,801)

## Customer relief programmes

In response to the Covid-19 outbreak, governments and regulators around the world introduced a number of support measures for both personal and wholesale customers in market-wide schemes. The following table presents the number of personal accounts/wholesale customers and the associated drawn loan values of customers under these schemes and HSBC-specific measures for major markets at 30 September 2021. When schemes expire, accounts and customers and their associated drawn balances are no longer reported under relief regardless of their repayment status. In relation to personal lending, the majority of relief measures, including payment holidays, relate to existing lending, while in wholesale lending the relief measures comprise payment holidays, refinancing of existing facilities and new lending under government-backed schemes.

At 30 September 2021, the gross carrying value of loans to personal customers under relief was \$2.0bn (31 December 2020: \$5.5bn). This comprised \$1.3bn in relation to mortgages (31 December 2020: \$4.7bn) and \$0.6bn in relation to other personal lending (31 December 2020: \$0.9bn). The decrease in personal customer relief during the first nine months of 2021 was driven by customers exiting relief measures. The gross carrying value of loans to wholesale customers under relief was \$29.6bn (31 December 2020: \$35.3bn). We continue to monitor the recoverability of loans granted under customer relief programmes, including loans to a small number of customers that were subsequently found to be ineligible for such relief. The ongoing performance of such loans remains an area of uncertainty at 30 September 2021.

### Personal lending

Extant at 30 September 2021		UK	Hong Kong	US	Other major markets <sup>1,2</sup>	Total
<b>Market-wide schemes</b>						
Number of accounts granted mortgage customer relief	000s	–	–	–	7	7
Drawn loan value of accounts granted mortgage customer relief	\$m	–	–	–	671	671
Number of accounts granted other personal lending customer relief	000s	–	–	–	37	37
Drawn loan value of accounts granted other personal lending customer relief	\$m	–	–	–	550	550
<b>HSBC-specific measures</b>						
Number of accounts granted mortgage customer relief	000s	–	–	1	–	1
Drawn loan value of accounts granted mortgage customer relief	\$m	–	149	518	8	675
Number of accounts granted other personal lending customer relief	000s	–	–	–	3	3
Drawn loan value of accounts granted other personal lending customer relief	\$m	–	44	25	17	86
<b>Total personal lending to major markets under market-wide schemes and HSBC-specific measures</b>						
Number of accounts granted mortgage customer relief	000s	–	–	1	7	8
Drawn loan value of accounts granted mortgage customer relief	\$m	–	149	518	679	1,346
Number of accounts granted other personal lending customer relief	000s	–	–	–	40	40
Drawn loan value of accounts granted other personal lending customer relief	\$m	–	44	25	567	636
<b>Market-wide schemes and HSBC-specific measures – mortgage relief as a proportion of total mortgages</b>	%	–	0.2	3.1	0.8	0.4
<b>Market-wide schemes and HSBC-specific measures – other personal lending relief as a proportion of total other personal lending loans and advances</b>	%	–	0.1	3.2	1.1	0.6

### Wholesale lending

Extant at 30 September 2021		UK	Hong Kong	US	Other major markets <sup>1</sup>	Total
<b>Market-wide schemes</b>						
Number of customers under market-wide measures	000s	230	1	2	5	238
Drawn loan value of customers under market-wide schemes	\$m	13,035	6,210	437	4,983	24,665
<b>HSBC-specific schemes</b>						
Number of customers under HSBC-specific measures	000s	–	4	–	–	4
Drawn loan value of customers under HSBC-specific measures	\$m	155	2,914	352	1,483	4,904
<b>Total wholesale lending to major markets under market-wide schemes and HSBC-specific measures</b>						
Number of customers	000s	230	5	2	5	242
Drawn loan value	\$m	13,190	9,124	789	6,466	29,569
<b>Market-wide schemes and HSBC-specific measures as a proportion of total wholesale lending loans and advances</b>	%	9.8	4.9	2.3	3.4	5.4

1 Other major markets include Australia, Canada, mainland China, Egypt, France, Germany, India, Malaysia, Singapore, Taiwan and UAE.

2 In Malaysia, personal lending customers are granted an automatic moratorium programme for all eligible retail customers. As a result of further loosening of eligibility criteria and scope of relief measures, the country is now the major contributor to the figures reported under 'Other major markets'. At 30 September 2021 the number of mortgage accounts under this moratorium was 7,000 with an associated drawn balance of \$550m and the number of other personal lending accounts was 33,000 with an associated drawn balance of \$471m.

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### Personal lending (continued)

Extant at 31 December 2020		UK	Hong Kong	US	Other major markets <sup>1,2,3</sup>	Total
Market-wide schemes						
Number of accounts granted mortgage customer relief	000s	6	—	—	5	11
Drawn loan value of accounts granted mortgage customer relief	\$m	1,412	—	—	908	2,320
Number of accounts granted other personal lending customer relief	000s	15	—	—	28	43
Drawn loan value of accounts granted other personal lending customer relief	\$m	140	—	—	386	526
HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	—	3	2	3	8
Drawn loan value of accounts granted mortgage customer relief	\$m	7	1,124	864	360	2,355
Number of accounts granted other personal lending customer relief	000s	—	1	6	18	25
Drawn loan value of accounts granted other personal lending customer relief	\$m	—	75	67	182	324
Total personal lending to major markets under market-wide schemes and HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	6	3	2	8	19
Drawn loan value of accounts granted mortgage customer relief	\$m	1,419	1,124	864	1,268	4,675
Number of accounts granted other personal lending customer relief	000s	15	1	6	46	68
Drawn loan value of accounts granted other personal lending customer relief	\$m	140	75	67	568	850
Market-wide schemes and HSBC-specific measures – mortgage relief as a proportion of total mortgages	%	0.9	1.2	4.7	1.6	1.4
Market-wide schemes and HSBC-specific measures – other personal lending relief as a proportion of total other personal lending loans and advances	%	0.7	0.2	3.1	1.1	0.8

### Wholesale lending (continued)

Extant at 31 December 2020		UK	Hong Kong	US	Other major markets <sup>1</sup>	Total
Market-wide schemes						
Number of customers under market-wide measures	000s	226	3	3	5	237
Drawn loan value of customers under market-wide schemes	\$m	13,517	10,622	1,043	6,017	31,199
HSBC-specific schemes						
Number of customers under HSBC-specific measures	000s	—	—	—	—	—
Drawn loan value of customers under HSBC-specific measures	\$m	349	—	924	2,869	4,142
Total wholesale lending to major markets under market-wide schemes and HSBC-specific measures						
Number of customers	000s	226	3	3	5	237
Drawn loan value	\$m	13,866	10,622	1,967	8,886	35,341
Market-wide schemes and HSBC-specific measures as a proportion of total wholesale lending loans and advances	%	9.6	5.9	5.2	4.6	6.4

1 Other major markets include Australia, Canada, mainland China, Egypt, France, Germany, India, Indonesia, Malaysia, Mexico, Singapore, Switzerland, Taiwan and UAE.

2 In Malaysia, personal lending customers are granted an automatic moratorium programme for all eligible retail customers. At 31 December 2020, the number of accounts under this moratorium was 26,000 with an associated drawn balance of \$452m.

3 In Mexico, at 31 December 2020, there were 16,000 personal lending accounts under customer relief with an associated drawn balance of \$233m.

The initial granting of customer relief does not automatically trigger a migration to stage 2 or stage 3. However, information provided by payment deferrals is considered in the context of other reasonable and supportable information. This forms part of the overall assessment for whether there has been a significant increase in credit risk and credit impairment to identify loans for which lifetime ECL is appropriate. An extension in payment deferral does not automatically result in a migration to stage 2 or stage 3. The key accounting and credit risk judgement to ascertain whether a significant increase in credit risk has occurred is whether the economic effects of the Covid-19 pandemic on the customer are likely to be temporary over the lifetime of the loan, and whether they indicate that a concession is being made in respect of financial difficulty that would be consistent with stage 3.

On 6 April 2021, the UK launched the Recovery Loan Scheme that provides businesses of any size financial support to recover from the Covid-19 pandemic subject to eligibility and viability assessments. The scheme will run until 31 December 2021. A government guarantee of 80% is provided under the scheme.

On 20 May 2021, the Group announced a new SME financing scheme in Hong Kong, with HK\$40bn reserved to support SME customers to explore new opportunities and start a new chapter in their business journey as the economy starts to recover. The scheme is open until 30 November 2021.

On 21 September 2021, the Hong Kong Monetary Authority, together with the Banking Sector SME Lending Coordination Mechanism, announced that the Pre-approved Principal Payment Holiday Scheme for corporate customers will be extended for another six months to 30 April 2022.

## Capital adequacy

### Capital adequacy metrics

	At	
	30 Sep 2021	30 Jun 2021
<b>Risk-weighted assets ('RWAs') (\$bn)</b>		
Credit risk	678.6	702.9
Counterparty credit risk	38.8	39.3
Market risk	28.1	25.5
Operational risk	93.7	94.6
<b>Total risk-weighted assets</b>	<b>839.2</b>	<b>862.3</b>
<b>Capital on a transitional basis (\$bn)</b>		
Common equity tier 1 ('CET1') capital	133.2	134.6
Tier 1 capital	156.9	158.3
Total capital	179.0	181.1
<b>Capital ratios on a transitional basis (%)</b>		
CET1	15.9	15.6
Tier 1	18.7	18.4
Total capital	21.3	21.0
<b>Capital on an end point basis (\$bn)</b>		
CET1 capital	133.2	134.6
Tier 1 capital	155.6	157.0
Total capital	168.6	170.7
<b>Capital ratios on an end point basis (%)</b>		
CET1	15.9	15.6
Tier 1	18.5	18.2
Total capital	20.1	19.8
<b>Liquidity coverage ratio ('LCR')</b>		
Total high-quality liquid assets (\$bn)	664.0	659.3
Total net cash outflow (\$bn)	490.2	493.7
LCR ratio (%)	135.5	133.5

Following the end of the transition period following the UK's withdrawal from the EU, any reference to EU regulations and directives (including technical standards) should be read as a reference to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, as amended. Capital figures and ratios in the previous table are calculated in accordance with the revised 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 include the benefit of the regulatory transitional arrangements in CRR II for IFRS 9, which are more fully described below.

Where applicable, the figures also reflect government relief schemes intended to mitigate the impact of the Covid-19 pandemic.

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, including in the end point figures. Without their application, our CET1 ratio would be 15.8%. At 30 September 2021, the add-back to CET1 capital amounted to \$0.9bn under the standardised ('STD') approach with a tax impact of \$0.2bn.

*For further details, refer to our Pillar 3 Disclosures at 30 September 2021, which are expected to be published on or around 1 November 2021.*

### Capital

At 30 September 2021, our common equity tier 1 ('CET1') capital ratio increased to 15.9% from 15.6% at 30 June 2021, reflecting a fall in RWAs. This was offset by a decrease in CET1 capital of \$1.4bn. The decrease in CET1 capital was mainly a result of:

- \$1.7bn unfavourable foreign currency translation differences;
- a \$0.7bn higher deduction for intangible assets; and
- a \$0.4bn decrease in the fair value through other comprehensive income reserves.

These decreases were partly offset by:

- \$1.5bn capital generation through profits, net of \$1.7bn foreseeable dividends and dividends paid on equity instruments.

## Earnings Release – 3Q21

### Leverage

#### Leverage ratio<sup>1</sup>

Ref*		At	
		30 Sep 2021 \$bn	30 Jun 2021 \$bn
20	Tier 1 capital	155.6	157.0
21	Total leverage ratio exposure	2,964.8	2,968.5
		%	%
22	<b>Leverage ratio</b>	<b>5.2</b>	<b>5.3</b>
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 <sup>2</sup>	2,504.9	2,535.1
		%	%
	UK leverage ratio – quarterly average <sup>2</sup>	6.3	6.3
	UK leverage ratio – quarter end <sup>2</sup>	6.2	6.2

\* The references identify the lines prescribed in the EBA template.

1 The CRR II regulatory transitional arrangements for IFRS 9 are applied in both leverage ratio calculations.

2 UK leverage ratio denotes the Group's leverage ratio calculated under the PRA's UK leverage framework. This measure excludes from the calculation of exposure qualifying central bank balances and loans under the UK Bounce Back Loan scheme.

Our leverage ratio calculated in accordance with the Capital Requirements Regulation was 5.2% at 30 September 2021, down from 5.3% at 30 June 2021, primarily due to a decrease in the tier 1 capital.

At 30 September 2021, 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 \$17.6bn and \$2.5bn respectively. We exceeded these leverage requirements.

### Risk-weighted assets

#### RWAs by global business

	WPB \$bn	CMB \$bn	GBM \$bn	Corporate Centre \$bn	Total \$bn
Credit risk	140.5	298.2	157.3	82.6	678.6
Counterparty credit risk	1.0	0.7	36.4	0.7	38.8
Market risk	1.4	0.7	23.8	2.2	28.1
Operational risk	34.1	27.3	31.6	0.7	93.7
<b>At 30 Sep 2021</b>	<b>177.0</b>	<b>326.9</b>	<b>249.1</b>	<b>86.2</b>	<b>839.2</b>
At 30 Jun 2021	185.0	332.1	255.2	90.0	862.3

#### RWA movement by global business by key driver

	Credit risk, counterparty credit risk and operational risk					
	WPB \$bn	CMB \$bn	GBM \$bn	Corporate Centre \$bn	Market risk \$bn	Total RWAs \$bn
<b>RWAs at 1 July 2021</b>	<b>183.7</b>	<b>331.5</b>	<b>234.9</b>	<b>86.7</b>	<b>25.5</b>	<b>862.3</b>
Asset size	(6.8)	1.3	(2.4)	0.9	3.5	(3.5)
Asset quality	(0.1)	(2.6)	(2.8)	(0.9)	–	(6.4)
Model updates	–	(0.1)	0.1	–	–	–
Methodology and policy	0.9	0.2	(2.2)	(2.5)	(0.9)	(4.5)
Foreign exchange movements	(2.1)	(4.1)	(2.3)	(0.2)	–	(8.7)
<b>Total RWA movement</b>	<b>(8.1)</b>	<b>(5.3)</b>	<b>(9.6)</b>	<b>(2.7)</b>	<b>2.6</b>	<b>(23.1)</b>
<b>RWAs at 30 Sep 2021</b>	<b>175.6</b>	<b>326.2</b>	<b>225.3</b>	<b>84.0</b>	<b>28.1</b>	<b>839.2</b>

Risk-weighted assets ('RWAs') fell by \$23.1bn during 3Q21, including a decrease of \$8.7bn due to foreign currency translation differences. The \$14.4bn decrease (excluding foreign currency translation differences) comprised the movements described by the commentary below.

At 30 September 2021, our cumulative RWA saves as part of our transformation programme were \$92.6bn. These included accelerated reductions of \$9.6bn in 4Q19.

#### Asset size

The \$3.5bn decrease in RWAs due to asset size movements included reductions in WPB and GBM credit risk RWAs, partly offset by increases in market risk, Corporate Centre and CMB RWAs.

The \$6.8bn decrease in WPB RWAs was predominantly in Asia, where lower short-term lending to fund initial public offerings in Hong Kong resulted in an \$8.1bn fall in RWAs, partly offset by \$1.0bn of mortgage lending.

The \$2.4bn fall in GBM included a further \$1.4bn reduction in short-term lending related to the funding of initial public offerings in Hong Kong. Most of the remaining decrease was in Europe, and included falls in private equity assets and corporate lending.

A \$3.5bn increase in market risk RWAs mainly arose in stressed value at risk ('VaR') and risks not in VaR, reflecting market conditions in equity and foreign exchange portfolios.

The \$0.9bn rise in Corporate Centre RWAs occurred mostly in Europe and North America, and included increases in sovereign exposures. CMB RWAs increased by \$1.3bn, mainly due to corporate lending growth in Asia and North America, partly offset by a \$1.0bn fall in short-term lending in Hong Kong.

### **Asset quality**

Changes in asset quality led to an RWA decrease of \$6.4bn across the global businesses. This reduction was predominantly in GBM, CMB and Corporate Centre. A total of \$3.1bn was due to favourable credit migration in corporate lending across CMB and GBM, mostly in Europe, Asia and North America. Most of the remaining reduction followed favourable portfolio mix movements across the major regions, also concentrated in corporate lending portfolios.

### **Methodology and policy**

The \$4.5bn reduction in RWAs due to methodology and policy changes was mainly due to risk parameter refinements in GBM and CMB, mostly in Europe, North America and Asia. Changes to the allocation of Markets Treasury assets resulted in a \$2.5bn decrease in Corporate Centre, offset by a \$0.9bn increase in WPB RWAs and further increases in CMB and GBM following transfer of RWAs. The \$0.9bn fall in market risk RWAs followed enhancements to foreign exchange risk calculations under the standardised approach.

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## **Regulatory developments**

Our capital planning makes allowance for significant imminent regulatory developments and business actions that may consume capital. In 4Q21, we expect an increase in RWAs of approximately 2% from growth and regulatory impacts.

During 2022, we expect a further 60bps to 80bps impact upon our CET1 ratio as a result of regulatory developments including:

- the change in the treatment of software assets;
- the implementation of the standardised approach for counterparty credit risk calculation, which comes into effect on 1 January 2022;
- measures to improve the comparability of internal ratings-based ('IRB') models, including the introduction of a minimum risk weight for performing mortgage portfolios in the UK; and
- the expiry of transitional provisions in the European Union (Withdrawal) Act that permit us to zero risk-weight exposures to EEA sovereigns.

We expect the classification of our retail banking operations in France as being held for sale to reduce our CET1 ratio by 25bps.



## Alternative performance measures

### Use of alternative performance measures

Our reported results are prepared in accordance with IFRSs as detailed in our financial statements starting on page 278 of the *Annual Report and Accounts 2020*. We use a combination of reported and alternative performance measures, including those derived from our reported results that eliminate factors that distort period-on-period comparisons. These are considered alternative performance measures (non-GAAP financial measures).

The following information details the adjustments made to the reported results and the calculation of other alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

### Return on average ordinary shareholders' equity and return on average tangible equity

Return on average ordinary shareholders' equity ('RoE') is computed by taking profit attributable to the ordinary shareholders of the parent company ('reported results'), divided by average ordinary shareholders' equity ('reported equity') for the period. The adjustment to reported results and reported equity excludes amounts attributable to non-controlling interests and holders of preference shares and other equity instruments.

Return on average tangible equity ('RoTE') is computed by adjusting reported results for the movements in the present value of in-force long-term insurance business ('PVIF') and for impairment of goodwill and other intangible assets (net of tax), divided by average reported equity adjusted for goodwill, intangibles and PVIF for the period.

Return on average tangible equity excluding significant items is annualised profit attributable to ordinary shareholders, excluding changes in PVIF and significant items (net of tax), divided by average tangible shareholders' equity excluding fair value of own debt, debt valuation adjustment ('DVA') and other adjustments for the period. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

We provide RoTE ratios in addition to RoE as a way of assessing our performance, which is closely aligned to our capital position.

#### Return on average ordinary shareholders' equity and return on average tangible equity

	Nine months ended		Quarter ended		
	30 Sep 2021 \$m	30 Sep 2020 \$m	30 Sep 2021 \$m	30 Jun 2021 \$m	30 Sep 2020 \$m
<b>Profit</b>					
Profit attributable to the ordinary shareholders of the parent company	10,819	3,336	3,543	3,396	1,359
Impairment of goodwill and other intangible assets (net of tax)	17	1,156	17	—	2
Decrease/(increase) in PVIF (net of tax)	(52)	(562)	(68)	(44)	(252)
<b>Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and PVIF</b>	<b>10,784</b>	3,930	<b>3,492</b>	3,352	1,109
Significant items (net of tax) and other adjustments <sup>1, 2</sup>	1,673	1,505			
<b>Profit attributable to the ordinary shareholders, excluding goodwill impairment, PVIF and significant items<sup>1</sup></b>	<b>12,457</b>	5,435			
<b>Equity</b>					
Average ordinary shareholders' equity	176,075	165,934	176,481	174,075	167,151
Effect of goodwill, PVIF and other intangibles (net of deferred tax)	(17,721)	(17,234)	(17,919)	(17,629)	(17,081)
<b>Average tangible equity</b>	<b>158,354</b>	148,700	<b>158,562</b>	156,446	150,070
Fair value of own debt, DVA and other adjustments	1,547	(260)			
<b>Average tangible equity excluding fair value of own debt, DVA and other adjustments</b>	<b>159,901</b>	148,440			
<b>Ratio</b>	%	%	%	%	%
Return on average ordinary shareholders' equity (annualised)	8.2	2.7	8.0	7.8	3.2
Return on tangible equity (annualised)	9.1	3.5	8.7	8.6	2.9
Return on tangible equity excluding significant items (annualised) <sup>1</sup>	10.4	4.9			

<sup>1</sup> Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

<sup>2</sup> Other adjustments includes entries relating to the timing of payments on additional tier 1 coupons.

## Return on average tangible equity by global business

	Nine months ended 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m
<b>Profit before tax</b>	<b>5,510</b>	<b>5,316</b>	<b>4,335</b>	<b>1,081</b>	<b>16,242</b>
Tax expense	(1,179)	(1,413)	(906)	(80)	(3,578)
<b>Profit after tax</b>	<b>4,331</b>	<b>3,903</b>	<b>3,429</b>	<b>1,001</b>	<b>12,664</b>
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(563)	(502)	(572)	(208)	(1,845)
<b>Profit attributable to ordinary shareholders of the parent company</b>	<b>3,768</b>	<b>3,401</b>	<b>2,857</b>	<b>793</b>	<b>10,819</b>
Decrease/(increase) in PVIF (net of tax)	(48)	(1)	–	(3)	(52)
Significant items (net of tax)	195	22	327	938	1,482
Other adjustments	2	(3)	(2)	211	208
<b>Profit attributable to ordinary shareholders, excluding PVIF and significant items</b>	<b>3,917</b>	<b>3,419</b>	<b>3,182</b>	<b>1,939</b>	<b>12,457</b>
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	30,506	39,363	42,050	47,982	159,901
RoTE excluding significant items (annualised) (%)	17.2	11.6	10.1	5.4	10.4

	Nine months ended 30 Sep 2020				
Profit before tax	2,696	1,284	2,912	500	7,392
Tax expense	(492)	(527)	(1,093)	(116)	(2,228)
Profit after tax	2,204	757	1,819	384	5,164
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(543)	(492)	(498)	(295)	(1,828)
Profit attributable to ordinary shareholders of the parent company	1,661	265	1,321	89	3,336
Increase in PVIF (net of tax)	(544)	(16)	–	(2)	(562)
Significant items (net of tax)	346	64	818	1,040	2,268
Other adjustments	15	(8)	(12)	398	393
<b>Profit attributable to ordinary shareholders, excluding PVIF and significant items</b>	<b>1,478</b>	<b>305</b>	<b>2,127</b>	<b>1,525</b>	<b>5,435</b>
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	25,998	37,519	41,114	43,809	148,440
RoTE excluding significant items (annualised) (%)	7.6	1.1	6.9	4.6	4.9

## Net asset value and tangible net asset value per ordinary share

Net asset value per ordinary share is total shareholders' equity less non-cumulative preference shares and capital securities ('total ordinary shareholders' equity'), divided by the number of ordinary shares in issue excluding shares that the company has purchased and are held in treasury.

Tangible net asset value per ordinary share is total ordinary shareholders' equity excluding goodwill, PVIF and other intangible assets (net of deferred tax) ('tangible ordinary shareholders' equity'), divided by the number of basic ordinary shares in issue excluding shares that the company has purchased and are held in treasury.

### Net asset value and tangible net asset value per ordinary share

	At		
	30 Sep 2021	30 Jun 2021	30 Sep 2020
	\$m	\$m	\$m
Total shareholders' equity	198,144	198,218	191,904
Preference shares and other equity instruments	(22,414)	(22,414)	(22,319)
<b>Total ordinary shareholders' equity</b>	<b>175,730</b>	<b>175,804</b>	<b>169,585</b>
Goodwill, PVIF and intangible assets (net of deferred tax)	(18,019)	(17,819)	(17,325)
<b>Tangible ordinary shareholders' equity</b>	<b>157,711</b>	<b>157,985</b>	<b>152,260</b>
Basic number of \$0.50 ordinary shares outstanding	20,201	20,223	20,173
<b>Value per share</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net asset value per ordinary share	8.70	8.69	8.41
Tangible net asset value per ordinary share	7.81	7.81	7.55

**Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers**

Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers is the annualised adjusted ECL divided by adjusted average gross loans and advances to customers for the period.

The adjusted numbers are derived by adjusting reported ECL and loans and advances to customers for the effects of foreign currency translation differences.

**Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers**

	Nine months ended		Quarter ended		
	30 Sep 2021 \$m	30 Sep 2020 \$m	30 Sep 2021 \$m	30 Jun 2021 \$m	30 Sep 2020 \$m
Expected credit losses and other credit impairment charges ('ECL')	1,378	(7,643)	659	284	(785)
Currency translation		(467)		(4)	(38)
<b>Adjusted ECL</b>	<b>1,378</b>	<b>(8,110)</b>	<b>659</b>	<b>280</b>	<b>(823)</b>
Average gross loans and advances to customers	1,057,457	1,045,773	1,061,781	1,063,083	1,043,476
Currency translation	(10,317)	29,528	(7,174)	(12,851)	29,297
<b>Average gross loans and advances to customers – at most recent balance sheet foreign exchange rates</b>	<b>1,047,140</b>	<b>1,075,301</b>	<b>1,054,607</b>	<b>1,050,232</b>	<b>1,072,773</b>
<b>Ratio</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers	(0.18)	1.01	(0.25)	(0.11)	0.31

## Reconciliation of reported and adjusted results

### Reconciliation of reported and adjusted results

	Nine months ended		Quarter ended		
	30 Sep 2021 \$m	30 Sep 2020 \$m	30 Sep 2021 \$m	30 Jun 2021 \$m	30 Sep 2020 \$m
<b>Revenue</b>					
Reported <sup>1</sup>	37,563	38,672	12,012	12,565	11,927
Currency translation		1,420		(130)	303
Significant items	435	(121)	189	(40)	144
– customer redress programmes	(18)	22	–	–	48
– disposals, acquisitions and investment in new businesses	–	8	–	–	–
– fair value movements on financial instruments <sup>2</sup>	258	(310)	64	(45)	(11)
– restructuring and other related costs <sup>3</sup>	195	150	125	4	101
– currency translation of significant items		9		1	6
<b>Adjusted</b>	<b>37,998</b>	<b>39,971</b>	<b>12,201</b>	<b>12,395</b>	<b>12,374</b>
<b>Change in expected credit losses and other credit impairment charges</b>					
Reported	1,378	(7,643)	659	284	(785)
Currency translation		(467)		(4)	(38)
<b>Adjusted</b>	<b>1,378</b>	<b>(8,110)</b>	<b>659</b>	<b>280</b>	<b>(823)</b>
<b>Operating expenses</b>					
Reported	(25,076)	(24,568)	(7,989)	(8,560)	(8,041)
Currency translation		(1,097)		89	(210)
Significant items	1,269	2,349	404	535	639
– customer redress programmes	24	53	7	27	3
– impairment of goodwill and other intangibles	–	1,082	–	–	57
– restructuring and other related costs <sup>4</sup>	1,245	1,072	397	514	567
– settlements and provisions in connection with legal and regulatory matters	–	8	–	–	3
– currency translation of significant items		134		(6)	9
<b>Adjusted</b>	<b>(23,807)</b>	<b>(23,316)</b>	<b>(7,585)</b>	<b>(7,936)</b>	<b>(7,612)</b>
<b>Share of profit/(loss) in associates and joint ventures</b>					
Reported	2,377	931	721	771	(27)
Currency translation		115		(2)	24
Significant items	–	462	–	–	462
– impairment of goodwill <sup>5</sup>	–	462	–	–	462
– currency translation of significant items		–		–	–
<b>Adjusted</b>	<b>2,377</b>	<b>1,508</b>	<b>721</b>	<b>769</b>	<b>459</b>
<b>Profit before tax</b>					
Reported	16,242	7,392	5,403	5,060	3,074
Currency translation		(29)		(47)	79
Significant items <sup>6</sup>	1,704	2,690	593	495	1,245
– revenue	435	(121)	189	(40)	144
– operating expenses	1,269	2,349	404	535	639
– share in profit of associates and joint ventures	–	462	–	–	462
<b>Adjusted</b>	<b>17,946</b>	<b>10,053</b>	<b>5,996</b>	<b>5,508</b>	<b>4,398</b>
<b>Loans and advances to customers (net)</b>					
Reported	1,039,677	1,041,340	1,039,677	1,059,511	1,041,340
Currency translation		17,201		(14,151)	17,201
<b>Adjusted</b>	<b>1,039,677</b>	<b>1,058,541</b>	<b>1,039,677</b>	<b>1,045,360</b>	<b>1,058,541</b>
<b>Customer accounts</b>					
Reported	1,687,982	1,568,714	1,687,982	1,669,091	1,568,714
Currency translation		23,570		(21,851)	23,570
<b>Adjusted</b>	<b>1,687,982</b>	<b>1,592,284</b>	<b>1,687,982</b>	<b>1,647,240</b>	<b>1,592,284</b>

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 losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

4 The 9M20 period includes impairment of software intangible assets of \$173m (of the total software intangible asset impairment of \$1,320m) and impairment of tangible assets of \$124m.

5 In 3Q20, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.

6 Tax on significant items at reported rates of foreign exchange was a credit of \$71m in 3Q21 (2Q21: \$77m credit, 3Q20: \$162m credit).

## Earnings Release – 3Q21

### Reconciliation of reported and adjusted results – global businesses

Analysis of significant items by global business is presented below.

#### Reconciliation of reported results to adjusted results – global businesses

	Nine months ended 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	\$m	\$m	\$m	\$m	\$m
<b>Revenue<sup>1</sup></b>					
Reported	16,816	10,044	11,214	(511)	37,563
Significant items	2	(18)	268	183	435
– customer redress programmes	1	(19)	–	–	(18)
– fair value movements on financial instruments <sup>2</sup>	–	(1)	4	255	258
– restructuring and other related costs <sup>3</sup>	1	2	264	(72)	195
<b>Adjusted</b>	<b>16,818</b>	<b>10,026</b>	<b>11,482</b>	<b>(328)</b>	<b>37,998</b>
<b>ECL</b>					
Reported	289	521	561	7	1,378
<b>Adjusted</b>	<b>289</b>	<b>521</b>	<b>561</b>	<b>7</b>	<b>1,378</b>
<b>Operating expenses</b>					
Reported	(11,619)	(5,250)	(7,440)	(767)	(25,076)
Significant items	251	52	120	846	1,269
– customer redress programmes	18	–	–	6	24
– restructuring and other related costs	233	52	120	840	1,245
<b>Adjusted</b>	<b>(11,368)</b>	<b>(5,198)</b>	<b>(7,320)</b>	<b>79</b>	<b>(23,807)</b>
<b>Share of profit in associates and joint ventures</b>					
Reported	24	1	–	2,352	2,377
<b>Adjusted</b>	<b>24</b>	<b>1</b>	<b>–</b>	<b>2,352</b>	<b>2,377</b>
<b>Profit before tax</b>					
Reported	5,510	5,316	4,335	1,081	16,242
Significant items	253	34	388	1,029	1,704
– revenue	2	(18)	268	183	435
– operating expenses	251	52	120	846	1,269
<b>Adjusted</b>	<b>5,763</b>	<b>5,350</b>	<b>4,723</b>	<b>2,110</b>	<b>17,946</b>
<b>Loans and advances to customers (net)</b>					
Reported	481,795	345,156	211,976	750	1,039,677
<b>Adjusted</b>	<b>481,795</b>	<b>345,156</b>	<b>211,976</b>	<b>750</b>	<b>1,039,677</b>
<b>Customer accounts</b>					
Reported	844,611	488,201	354,466	704	1,687,982
<b>Adjusted</b>	<b>844,611</b>	<b>488,201</b>	<b>354,466</b>	<b>704</b>	<b>1,687,982</b>

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 losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

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

	Nine months ended 30 Sep 2020				
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
<b>Revenue<sup>1</sup></b>					
Reported	16,679	10,148	11,695	150	38,672
Currency translation	572	408	483	(43)	1,420
Significant items	13	18	105	(257)	(121)
– customer redress programmes	5	17	–	–	22
– disposal, acquisitions and investment in new businesses	8	–	–	–	8
– fair value movements on financial instruments <sup>2</sup>	–	–	(62)	(248)	(310)
– restructuring and other related costs <sup>3</sup>	–	–	159	(9)	150
– currency translation on significant items	–	1	8	–	9
Adjusted	17,264	10,574	12,283	(150)	39,971
<b>ECL</b>					
Reported	(2,545)	(3,880)	(1,218)	–	(7,643)
Currency translation	(153)	(234)	(80)	–	(467)
Adjusted	(2,698)	(4,114)	(1,298)	–	(8,110)
<b>Operating expenses</b>					
Reported	(11,440)	(4,984)	(7,565)	(579)	(24,568)
Currency translation	(453)	(219)	(455)	30	(1,097)
Significant items	426	69	849	1,005	2,349
– customer redress programmes	45	1	–	7	53
– impairment of goodwill and other intangibles	309	44	578	151	1,082
– restructuring and other related costs <sup>4</sup>	58	14	191	809	1,072
– settlements and provisions in connection with legal and regulatory matters	–	–	2	6	8
– currency translation on significant items	14	10	78	32	134
Adjusted	(11,467)	(5,134)	(7,171)	456	(23,316)
<b>Share of profit in associates and joint ventures</b>					
Reported	2	–	–	929	931
Currency translation	–	–	–	115	115
Significant item	–	–	–	462	462
– impairment of goodwill <sup>5</sup>	–	–	–	462	462
– currency translation on significant items	–	–	–	–	–
Adjusted	2	–	–	1,506	1,508
<b>Profit before tax</b>					
Reported	2,696	1,284	2,912	500	7,392
Currency translation	(34)	(45)	(52)	102	(29)
Significant items	439	87	954	1,210	2,690
– revenue	13	18	105	(257)	(121)
– operating expenses	426	69	849	1,005	2,349
– share of profit in associates and joint ventures	–	–	–	462	462
Adjusted	3,101	1,326	3,814	1,812	10,053
<b>Loans and advances to customers (net)</b>					
Reported	459,516	343,702	236,902	1,220	1,041,340
Currency translation	8,772	5,531	2,876	22	17,201
Adjusted	468,288	349,233	239,778	1,242	1,058,541
<b>Customer accounts</b>					
Reported	793,612	431,021	343,365	716	1,568,714
Currency translation	10,354	7,658	5,540	18	23,570
Adjusted	803,966	438,679	348,905	734	1,592,284

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

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

<sup>3</sup> Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.

<sup>4</sup> Includes impairment of software intangible assets of \$173m (of the total software intangible asset impairment of \$1,320m) and impairment of tangible assets of \$124m.

<sup>5</sup> During the year, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.



## Earnings Release – 3Q21

### Reconciliation of reported and adjusted items – global businesses

	Quarter ended 30 Sep 2021				
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
<b>Revenue<sup>1</sup></b>					
Reported	5,416	3,374	3,511	(289)	12,012
Significant items	2	–	93	94	189
– fair value movements on financial instruments <sup>2</sup>	1	–	(9)	72	64
– restructuring and other related costs <sup>3</sup>	1	–	102	22	125
<b>Adjusted</b>	<b>5,418</b>	<b>3,374</b>	<b>3,604</b>	<b>(195)</b>	<b>12,201</b>
<b>ECL</b>					
Reported	237	272	147	3	659
<b>Adjusted</b>	<b>237</b>	<b>272</b>	<b>147</b>	<b>3</b>	<b>659</b>
<b>Operating expenses</b>					
Reported	(3,802)	(1,706)	(2,382)	(99)	(7,989)
Significant items	34	33	47	290	404
– customer redress programmes	5	–	–	2	7
– restructuring and other related costs	29	33	47	288	397
<b>Adjusted</b>	<b>(3,768)</b>	<b>(1,673)</b>	<b>(2,335)</b>	<b>191</b>	<b>(7,585)</b>
<b>Share of profit in associates and joint ventures</b>					
Reported	13	–	–	708	721
<b>Adjusted</b>	<b>13</b>	<b>–</b>	<b>–</b>	<b>708</b>	<b>721</b>
<b>Profit before tax</b>					
Reported	1,864	1,940	1,276	323	5,403
Significant items	36	33	140	384	593
– revenue	2	–	93	94	189
– operating expenses	34	33	47	290	404
<b>Adjusted</b>	<b>1,900</b>	<b>1,973</b>	<b>1,416</b>	<b>707</b>	<b>5,996</b>
<b>Loans and advances to customers (net)</b>					
Reported	481,795	345,156	211,976	750	1,039,677
<b>Adjusted</b>	<b>481,795</b>	<b>345,156</b>	<b>211,976</b>	<b>750</b>	<b>1,039,677</b>
<b>Customer accounts</b>					
Reported	844,611	488,201	354,466	704	1,687,982
<b>Adjusted</b>	<b>844,611</b>	<b>488,201</b>	<b>354,466</b>	<b>704</b>	<b>1,687,982</b>

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 losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

**Reconciliation of reported and adjusted items – global businesses (continued)**

	Quarter ended 30 June 2021					Total \$m
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m		
<b>Revenue<sup>1</sup></b>						
Reported	5,707	3,321	3,488	49		12,565
Currency translation	(52)	(39)	(41)	2		(130)
Significant items	–	–	97	(137)		(40)
– fair value movements on financial instruments <sup>2</sup>	(1)	–	1	(45)		(45)
– restructuring and other related costs <sup>3</sup>	–	–	97	(93)		4
– currency translation on significant items	1	–	(1)	1		1
Adjusted	5,655	3,282	3,544	(86)		12,395
<b>ECL</b>						
Reported	34	19	224	7		284
Currency translation	(2)	(1)	–	(1)		(4)
Adjusted	32	18	224	6		280
<b>Operating expenses</b>						
Reported	(3,943)	(1,785)	(2,482)	(350)		(8,560)
Currency translation	40	19	31	(1)		89
Significant items	148	16	43	328		535
– customer redress programmes	25	–	–	2		27
– restructuring and other related costs	124	16	44	330		514
– currency translation on significant items	(1)	–	(1)	(4)		(6)
Adjusted	(3,755)	(1,750)	(2,408)	(23)		(7,936)
<b>Share of profit in associates and joint ventures</b>						
Reported	3	–	–	768		771
Currency translation	(1)	–	–	(1)		(2)
Adjusted	2	–	–	767		769
<b>Profit before tax</b>						
Reported	1,801	1,555	1,230	474		5,060
Currency translation	(15)	(21)	(10)	(1)		(47)
Significant items	148	16	140	191		495
– revenue	–	–	97	(137)		(40)
– operating expenses	148	16	43	328		535
Adjusted	1,934	1,550	1,360	664		5,508
<b>Loans and advances to customers (net)</b>						
Reported	491,320	350,945	216,098	1,148		1,059,511
Currency translation	(7,555)	(4,353)	(2,226)	(17)		(14,151)
Adjusted	483,765	346,592	213,872	1,131		1,045,360
<b>Customer accounts</b>						
Reported	841,257	485,689	341,242	903		1,669,091
Currency translation	(10,451)	(6,596)	(4,782)	(22)		(21,851)
Adjusted	830,806	479,093	336,460	881		1,647,240

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 losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

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### Reconciliation of reported and adjusted items – global businesses (continued)

	Quarter ended 30 Sep 2020				
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
<b>Revenue<sup>1</sup></b>					
Reported	5,409	3,148	3,510	(140)	11,927
Currency translation	127	82	93	1	303
Significant items	34	17	106	(13)	144
– customer redress programmes	31	17	–	–	48
– disposals, acquisitions and investment in new businesses	1	–	–	(1)	–
– fair value movements on financial instruments <sup>2</sup>	–	–	3	(14)	(11)
– restructuring and other related costs <sup>3</sup>	–	–	101	–	101
– currency translation on significant items	2	–	2	2	6
Adjusted	5,570	3,247	3,709	(152)	12,374
<b>ECL</b>					
Reported	(343)	(354)	(100)	12	(785)
Currency translation	(27)	(9)	(3)	1	(38)
Adjusted	(370)	(363)	(103)	13	(823)
<b>Operating expenses</b>					
Reported	(3,871)	(1,587)	(2,412)	(171)	(8,041)
Currency translation	(87)	(41)	(79)	(3)	(210)
Significant items	186	(50)	133	370	639
– customer redress programmes	(4)	–	–	7	3
– impairment of goodwill and other intangibles	224	3	11	(181)	57
– restructuring and other related costs <sup>4</sup>	(31)	(51)	119	530	567
– settlements and provisions in connection with legal and regulatory matters	–	–	–	3	3
– currency translation on significant items	(3)	(2)	3	11	9
Adjusted	(3,772)	(1,678)	(2,358)	196	(7,612)
<b>Share of profit/(loss) in associates and joint ventures</b>					
Reported	10	–	–	(37)	(27)
Currency translation	–	–	–	24	24
Significant item	–	–	–	462	462
– impairment of goodwill <sup>5</sup>	–	–	–	462	462
– currency translation on significant items	–	–	–	–	–
Adjusted	10	–	–	449	459
<b>Profit/(loss) before tax</b>					
Reported	1,205	1,207	998	(336)	3,074
Currency translation	13	32	11	23	79
Significant items	220	(33)	239	819	1,245
– revenue	34	17	106	(13)	144
– operating expenses	186	(50)	133	370	639
– share of profit in associates and joint ventures	–	–	–	462	462
Adjusted	1,438	1,206	1,248	506	4,398
<b>Loans and advances to customers (net)</b>					
Reported	459,516	343,702	236,902	1,220	1,041,340
Currency translation	8,772	5,531	2,876	22	17,201
Adjusted	468,288	349,233	239,778	1,242	1,058,541
<b>Customer accounts</b>					
Reported	793,612	431,021	343,365	716	1,568,714
Currency translation	10,354	7,658	5,540	18	23,570
Adjusted	803,966	438,679	348,905	734	1,592,284

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 losses associated with the RWA reduction commitments we made at our business update in February 2020.

4 Includes impairment of tangible assets of \$124m.

5 During the quarter, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.

## Reconciliation of reported and adjusted risk-weighted assets

The following table reconciles reported and adjusted risk-weighted assets ('RWAs').

### Reconciliation of reported and adjusted risk-weighted assets

	At 30 Sep 2021				
	Wealth and Personal Banking \$bn	Commercial Banking \$bn	Global Banking and Markets \$bn	Corporate Centre \$bn	Total \$bn
<b>Risk-weighted assets</b>					
Reported	177.0	326.9	249.1	86.2	839.2
<b>Adjusted<sup>1</sup></b>	<b>177.0</b>	<b>326.9</b>	<b>249.1</b>	<b>86.2</b>	<b>839.2</b>
	At 30 Jun 2021				
Risk-weighted assets					
Reported	185.0	332.1	255.2	90.0	862.3
Currency translation	(2.1)	(4.1)	(2.3)	(0.2)	(8.7)
<b>Adjusted<sup>1</sup></b>	<b>182.9</b>	<b>328.0</b>	<b>252.9</b>	<b>89.8</b>	<b>853.6</b>
	At 31 Mar 2021				
Risk-weighted assets					
Reported	171.9	326.8	254.6	93.5	846.8
Currency translation	(1.5)	(3.0)	(1.8)	(0.3)	(6.6)
<b>Adjusted<sup>1</sup></b>	<b>170.4</b>	<b>323.8</b>	<b>252.8</b>	<b>93.2</b>	<b>840.2</b>

<sup>1</sup> Adjusted risk-weighted assets are calculated using reported risk-weighted assets adjusted for the effects of currency translation differences and significant items.

## Reconciliation of reported and adjusted results – geographical regions

Analysis of significant items by geographical regions is presented below.

### Reconciliation of reported results to adjusted results – geographical regions

	Nine months ended 30 Sep 2021					
	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
<b>Revenue<sup>1</sup></b>						
Reported <sup>2</sup>	14,913	19,830	1,879	4,501	2,262	37,563
Significant items <sup>2</sup>	146	(111)	–	24	6	435
– customer redress programmes	(18)	–	–	–	–	(18)
– fair value movement on financial instruments <sup>3</sup>	252	2	–	4	–	258
– restructuring and other related costs <sup>2,4</sup>	(88)	(113)	–	20	6	195
<b>Adjusted<sup>2</sup></b>	<b>15,059</b>	<b>19,719</b>	<b>1,879</b>	<b>4,525</b>	<b>2,268</b>	<b>37,998</b>
<b>ECL</b>						
Reported	1,327	(312)	160	257	(54)	1,378
<b>Adjusted</b>	<b>1,327</b>	<b>(312)</b>	<b>160</b>	<b>257</b>	<b>(54)</b>	<b>1,378</b>
<b>Operating expenses</b>						
Reported <sup>2</sup>	(13,384)	(11,181)	(1,143)	(3,595)	(1,595)	(25,076)
Significant items <sup>2</sup>	974	327	37	253	48	1,269
– customer redress programmes	24	–	–	–	–	24
– restructuring and other related costs <sup>2</sup>	950	327	37	253	48	1,245
<b>Adjusted<sup>2</sup></b>	<b>(12,410)</b>	<b>(10,854)</b>	<b>(1,106)</b>	<b>(3,342)</b>	<b>(1,547)</b>	<b>(23,807)</b>
<b>Share of profit in associates and joint ventures</b>						
Reported	254	1,902	205	–	16	2,377
<b>Adjusted</b>	<b>254</b>	<b>1,902</b>	<b>205</b>	<b>–</b>	<b>16</b>	<b>2,377</b>
<b>Profit before tax</b>						
Reported	3,110	10,239	1,101	1,163	629	16,242
Significant items	1,120	216	37	277	54	1,704
– revenue <sup>2</sup>	146	(111)	–	24	6	435
– operating expenses <sup>2</sup>	974	327	37	253	48	1,269
<b>Adjusted</b>	<b>4,230</b>	<b>10,455</b>	<b>1,138</b>	<b>1,440</b>	<b>683</b>	<b>17,946</b>
<b>Loans and advances to customers (net)</b>						
Reported	398,308	487,559	27,095	106,422	20,293	1,039,677
<b>Adjusted</b>	<b>398,308</b>	<b>487,559</b>	<b>27,095</b>	<b>106,422</b>	<b>20,293</b>	<b>1,039,677</b>
<b>Customer accounts</b>						
Reported	666,968	771,463	42,089	179,100	28,362	1,687,982
<b>Adjusted</b>	<b>666,968</b>	<b>771,463</b>	<b>42,089</b>	<b>179,100</b>	<b>28,362</b>	<b>1,687,982</b>

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

<sup>2</sup> Amounts are non-additive across geographical regions due to inter-company transactions within the Group.

<sup>3</sup> Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.

<sup>4</sup> Comprises losses associated with the RWA reduction commitments and gains we made at our business update in February 2020.

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### Reconciliation of reported results to adjusted results – geographical regions (continued)

	Nine months ended 30 Sep 2020					
	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
Revenue <sup>1</sup>						
Reported <sup>2</sup>	13,465	20,904	2,002	4,887	2,323	38,672
Currency translation <sup>2</sup>	1,135	353	(36)	95	(26)	1,420
Significant items	(133)	(36)	(1)	55	(6)	(121)
– customer redress programmes	22	–	–	–	–	22
– disposals, acquisitions and investment in new businesses	–	–	–	8	–	8
– fair value movements on financial instruments <sup>3</sup>	(264)	(36)	(1)	(1)	(8)	(310)
– restructuring and other related costs <sup>4</sup>	102	–	–	48	–	150
– currency translation on significant items	7	–	–	–	2	9
Adjusted <sup>2</sup>	14,467	21,221	1,965	5,037	2,291	39,971
ECL						
Reported	(3,238)	(1,962)	(721)	(873)	(849)	(7,643)
Currency translation	(329)	(61)	3	(24)	(56)	(467)
Adjusted	(3,567)	(2,023)	(718)	(897)	(905)	(8,110)
Operating expenses						
Reported <sup>2</sup>	(13,159)	(9,773)	(1,192)	(3,998)	(1,355)	(24,568)
Currency translation <sup>2</sup>	(982)	(204)	26	(60)	22	(1,097)
Significant items	1,693	49	63	518	26	2,349
– customer redress programmes	53	–	–	–	–	53
– impairment of goodwill and other intangible assets	800	–	60	222	–	1,082
– restructuring and other related costs <sup>5</sup>	694	48	5	295	30	1,072
– settlements and provisions in connection with legal and regulatory matters	8	–	–	–	–	8
– currency translation on significant items	138	1	(2)	1	(4)	134
Adjusted <sup>2</sup>	(12,448)	(9,928)	(1,103)	(3,540)	(1,307)	(23,316)
Share of profit/(loss) in associates and joint ventures						
Reported	(44)	1,387	(415)	–	3	931
Currency translation	(1)	116	–	–	–	115
Significant item	–	–	462	–	–	462
– impairment of goodwill <sup>6</sup>	–	–	462	–	–	462
– currency translation on significant items	–	–	–	–	–	–
Adjusted	(45)	1,503	47	–	3	1,508
Profit/(loss) before tax						
Reported	(2,976)	10,556	(326)	16	122	7,392
Currency translation	(177)	204	(7)	11	(60)	(29)
Significant items	1,560	13	524	573	20	2,690
– revenue	(133)	(36)	(1)	55	(6)	(121)
– operating expenses	1,693	49	63	518	26	2,349
– share of profit in associates and joint ventures	–	–	462	–	–	462
Adjusted	(1,593)	10,773	191	600	82	10,053
Loans and advances to customers (net)						
Reported	398,181	484,125	29,307	110,394	19,333	1,041,340
Currency translation	12,558	1,644	(407)	2,474	932	17,201
Adjusted	410,739	485,769	28,900	112,868	20,265	1,058,541
Customer accounts						
Reported	593,172	732,367	40,815	177,478	24,882	1,568,714
Currency translation	19,688	783	(475)	2,943	631	23,570
Adjusted	612,860	733,150	40,340	180,421	25,513	1,592,284

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4 Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.

5 Includes impairment of software intangible assets of \$173m (of the total software intangible asset impairment of \$1,320m) and impairment of tangible assets of \$124m.

6 During the year, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.

Reconciliation of reported results to adjusted results – geographical regions

	Quarter ended 30 Sep 2021					
	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
<b>Revenue<sup>1</sup></b>						
Reported <sup>2</sup>	4,684	6,574	627	1,450	777	12,012
Significant items <sup>2</sup>	67	(57)	–	21	(1)	189
– fair value movements on financial instruments <sup>3</sup>	64	(3)	–	4	(1)	64
– restructuring and other related costs <sup>2,4</sup>	3	(54)	–	17	–	125
<b>Adjusted<sup>2</sup></b>	<b>4,751</b>	<b>6,517</b>	<b>627</b>	<b>1,471</b>	<b>776</b>	<b>12,201</b>
<b>ECL</b>						
Reported	657	(105)	44	45	18	659
<b>Adjusted</b>	<b>657</b>	<b>(105)</b>	<b>44</b>	<b>45</b>	<b>18</b>	<b>659</b>
<b>Operating expenses</b>						
Reported <sup>2</sup>	(4,300)	(3,709)	(358)	(1,137)	(585)	(7,989)
Significant items <sup>2</sup>	340	125	15	62	21	404
– customer redress programmes	7	–	–	–	–	7
– restructuring and other related costs <sup>2</sup>	333	125	15	62	21	397
<b>Adjusted<sup>2</sup></b>	<b>(3,960)</b>	<b>(3,584)</b>	<b>(343)</b>	<b>(1,075)</b>	<b>(564)</b>	<b>(7,585)</b>
<b>Share of profit in associates and joint ventures</b>						
Reported	101	543	65	–	12	721
<b>Adjusted</b>	<b>101</b>	<b>543</b>	<b>65</b>	<b>–</b>	<b>12</b>	<b>721</b>
<b>Profit before tax</b>						
Reported	1,142	3,303	378	358	222	5,403
Significant items	407	68	15	83	20	593
– revenue <sup>2</sup>	67	(57)	–	21	(1)	189
– operating expenses <sup>2</sup>	340	125	15	62	21	404
<b>Adjusted</b>	<b>1,549</b>	<b>3,371</b>	<b>393</b>	<b>441</b>	<b>242</b>	<b>5,996</b>
<b>Loans and advances to customers (net)</b>						
Reported	398,308	487,559	27,095	106,422	20,293	1,039,677
<b>Adjusted</b>	<b>398,308</b>	<b>487,559</b>	<b>27,095</b>	<b>106,422</b>	<b>20,293</b>	<b>1,039,677</b>
<b>Customer accounts</b>						
Reported	666,968	771,463	42,089	179,100	28,362	1,687,982
<b>Adjusted</b>	<b>666,968</b>	<b>771,463</b>	<b>42,089</b>	<b>179,100</b>	<b>28,362</b>	<b>1,687,982</b>

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

2 Amounts are non-additive across geographical regions due to inter-company transactions within the Group.

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

4 Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.



## Earnings Release – 3Q21

### Reconciliation of reported to adjusted results – geographical regions (continued)

	Quarter ended 30 Jun 2021					
	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
Revenue <sup>1</sup>						
Reported <sup>2</sup>	5,177	6,482	620	1,502	773	12,565
Currency translation <sup>2</sup>	(86)	(34)	(1)	(12)	(6)	(130)
Significant items <sup>2</sup>	(155)	(30)	–	3	1	(40)
– fair value movements on financial instruments <sup>3</sup>	(48)	3	–	–	–	(45)
– restructuring and other related costs <sup>2,4</sup>	(108)	(33)	–	3	1	4
– currency translation on significant items	1	–	–	–	–	1
Adjusted <sup>2</sup>	4,936	6,418	619	1,493	768	12,395
ECL						
Reported	333	(175)	61	108	(43)	284
Currency translation	(4)	1	(1)	(1)	1	(4)
Adjusted	329	(174)	60	107	(42)	280
Operating expenses						
Reported <sup>2</sup>	(4,557)	(3,778)	(397)	(1,289)	(528)	(8,560)
Currency translation <sup>2</sup>	63	21	1	8	5	89
Significant items <sup>2</sup>	353	142	10	152	19	535
– customer redress programmes	27	–	–	–	–	27
– restructuring and other related costs <sup>2</sup>	330	143	11	153	18	514
– currency translation on significant items	(4)	(1)	(1)	(1)	1	(6)
Adjusted <sup>2</sup>	(4,141)	(3,615)	(386)	(1,129)	(504)	(7,936)
Share of profit in associates and joint ventures						
Reported	18	649	102	–	2	771
Currency translation	(1)	(1)	–	–	–	(2)
Adjusted	17	648	102	–	2	769
Profit before tax						
Reported	971	3,178	386	321	204	5,060
Currency translation	(28)	(13)	(1)	(5)	–	(47)
Significant items	198	112	10	155	20	495
– revenue <sup>2</sup>	(155)	(30)	–	3	1	(40)
– operating expenses <sup>2</sup>	353	142	10	152	19	535
Adjusted	1,141	3,277	395	471	224	5,508
Loans and advances to customers (net)						
Reported	402,778	502,360	27,608	106,414	20,351	1,059,511
Currency translation	(9,550)	(2,583)	(53)	(1,309)	(656)	(14,151)
Adjusted	393,228	499,777	27,555	105,105	19,695	1,045,360
Customer accounts						
Reported	663,996	759,948	41,086	176,152	27,909	1,669,091
Currency translation	(15,796)	(3,640)	(96)	(1,411)	(908)	(21,851)
Adjusted	648,200	756,308	40,990	174,741	27,001	1,647,240

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

2 Amounts are non-additive across geographical regions due to inter-company transactions within the Group.

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

4 Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

Reconciliation of reported to adjusted results – geographical regions (continued)

	Quarter ended 30 Sep 2020					
	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
Revenue <sup>1</sup>						
Reported <sup>2</sup>	4,489	6,324	623	1,482	746	11,927
Currency translation <sup>2</sup>	256	52	(9)	21	9	303
Significant items	97	(2)	–	49	–	144
– customer redress programmes	48	–	–	–	–	48
– fair value movements on financial instruments <sup>3</sup>	(12)	(2)	–	2	1	(11)
– restructuring and other related costs <sup>4</sup>	54	–	–	47	–	101
– currency translation on significant items	7	–	–	–	(1)	6
Adjusted <sup>2</sup>	4,842	6,374	614	1,552	755	12,374
ECL						
Reported	(353)	(144)	(110)	14	(192)	(785)
Currency translation	(9)	1	–	–	(30)	(38)
Adjusted	(362)	(143)	(110)	14	(222)	(823)
Operating expenses						
Reported <sup>2</sup>	(4,058)	(3,343)	(429)	(1,503)	(445)	(8,041)
Currency translation <sup>2</sup>	(190)	(39)	11	(15)	(3)	(210)
Significant items	234	32	22	334	17	639
– customer redress programmes	3	–	–	–	–	3
– impairment of goodwill and other intangibles	(184)	–	19	222	–	57
– restructuring and other related costs <sup>5</sup>	402	30	5	111	19	567
– settlements and provisions in connection with legal and regulatory matters	3	–	–	–	–	3
– currency translation on significant items	10	2	(2)	1	(2)	9
Adjusted <sup>2</sup>	(4,014)	(3,350)	(396)	(1,184)	(431)	(7,612)
Share of profit/(loss) in associates and joint ventures						
Reported	6	350	(384)	–	1	(27)
Currency translation	1	23	–	–	–	24
Significant item	–	–	462	–	–	462
– impairment of goodwill <sup>6</sup>	–	–	462	–	–	462
– currency translation on significant items	–	–	–	–	–	–
Adjusted	7	373	78	–	1	459
Profit/(loss) before tax						
Reported	84	3,187	(300)	(7)	110	3,074
Currency translation	58	37	2	6	(24)	79
Significant items	331	30	484	383	17	1,245
– revenue	97	(2)	–	49	–	144
– operating expenses	234	32	22	334	17	639
– share of profit in associates and joint ventures	–	–	462	–	–	462
Adjusted	473	3,254	186	382	103	4,398
Loans and advances to customers (net)						
Reported	398,181	484,125	29,307	110,394	19,333	1,041,340
Currency translation	12,558	1,644	(407)	2,474	932	17,201
Adjusted	410,739	485,769	28,900	112,868	20,265	1,058,541
Customer accounts						
Reported	593,172	732,367	40,815	177,478	24,882	1,568,714
Currency translation	19,688	783	(475)	2,943	631	23,570
Adjusted	612,860	733,150	40,340	180,421	25,513	1,592,284

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

2 Amounts are non-additive across geographical regions due to inter-company transactions within the Group.

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

4 Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.

5 Includes impairment of tangible assets of \$124m.

6 During the quarter, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.

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## Additional information

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### Dividend on preference shares

A quarterly dividend of £0.01 per Series A sterling preference share is payable on 15 March, 15 June, 15 September and 15 December 2021 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 December 2021 to holders of record on 30 November 2021.

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\*, Rachel Duan†, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Eileen K Murray†, David Nish†, Noel Quinn, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

\* *Non-executive Group Chairman*

† *Independent non-executive Director*

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### Cautionary statement regarding forward-looking statements

This *Earnings Release 3Q21* contains certain forward-looking statements with respect to HSBC's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and ESG targets/commitments described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, 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 pandemic); the Covid-19 pandemic, which is expected to continue to have adverse impacts on our income due to lower lending and transaction volumes, lower wealth and insurance manufacturing revenue, and lower or negative interest rates in markets where we operate, as well as, more generally, the potential for 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 pandemic); potential changes in HSBC's 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; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as diplomatic tensions, including between China and the US, the UK, the EU, India and other countries, and developments in Hong Kong and Taiwan, alongside other potential areas of tension, which may affect the Group by creating regulatory, reputational and market risks; the efficacy of government, customer and HSBC's actions in managing and mitigating climate change and in supporting the global transition to net zero carbon emissions, which may cause both idiosyncratic and systemic risks resulting in potential financial and non-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; societal shifts in customer financing and investment needs, including 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 near risk-free benchmark rates, as well as the transition of legacy lbor contracts to near risk-free benchmark rates, which exposes HSBC to material execution risks, and increases some financial and non-financial risks; 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 pandemic); 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; changes to tax laws and tax rates applicable to HSBC, including the 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 relationship with the EU following the UK's withdrawal from the EU, which may continue to be characterised by uncertainty despite the signing of the Trade and Cooperation Agreement between the UK and the EU; passage of the Hong Kong national security law and restrictions on telecommunications, as well as the US Hong Kong Autonomy Act, which have caused tensions between China, the US and the UK; 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 financial, investment, capital and ESG targets/commitments, which may result in our failure to achieve any of the expected benefits of our strategic priorities; model limitations or failure, including, without limitation, the impact that the consequences of the Covid-19 pandemic have had on the performance and usage of financial models, which may require us to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, 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 ratings 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, including the implementation of IFRS 17 'Insurance Contracts', which may have a material impact on the way we prepare our financial statements and may negatively affect the profitability of HSBC's insurance business; 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; changes in skill requirements, ways of working and talent shortages, which may affect our ability to recruit and retain senior management and diverse and skilled personnel; and changes in our ability to develop sustainable finance products and our capacity to measure the climate impact from our financing activity, which may affect our ability to achieve our climate ambition. 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; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Risks' on pages 16 to 17 of this *Earnings Release 3Q21*.

**Terms and abbreviations**

1H20	First half of 2020
1H21	First half of 2021
1Q20	First quarter of 2020
1Q21	First quarter of 2021
2Q20	Second quarter of 2020
2Q21	Second quarter of 2021
3Q20	Third quarter of 2020
3Q21	Third quarter of 2021
4Q20	Fourth quarter of 2020
4Q21	Fourth quarter of 2021
9M20	Nine months to 30 September 2020
9M21	Nine months to 30 September 2021
AIEA	Average interest-earning assets
ASEAN	Association of Southeast Asian Nations
BGF	Business Growth Fund, an investment firm that provides growth capital for small and mid-sized businesses in the UK and Ireland
BoCom	Bank of Communications Co., Limited, one of China's largest banks
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
CET1	Common equity tier 1
CMB	Commercial Banking, a global business
CODM	Chief Operating Decision Maker
Corporate Centre	Corporate Centre comprises Central Treasury, our legacy businesses, interests in our associates and joint ventures, central stewardship costs and consolidation adjustments
CRR II	Revised Capital Requirements Regulation and Directive, as implemented
DPD	Days past due
DVA	Debt valuation adjustment
EBA	European Banking Authority
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
EEA	European Economic Area
ESG	Environmental, social and governance
FTE	Full-time equivalent staff
FVOCI	Fair value through other comprehensive income
GAAP	Generally accepted accounting principles
GBM	Global Banking and Markets, a global business
GEC	Group Executive Committee
GLCM	Global Liquidity and Cash Management
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
lbor	Interbank offered rate
IFRSs	International Financial Reporting Standards
JV	Joint venture
LCR	Liquidity coverage ratio
Libor	London interbank offered rate
Long term	We define long term as five to six years
Mainland China	People's Republic of China excluding Hong Kong and Macau
Medium term	We define medium term as three to five years
MENA	Middle East and North Africa
MREL	Minimum requirement for own funds and eligible liabilities
MSS	Markets and Securities Services, HSBC's capital markets and securities services businesses in Global Banking and Markets
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)
PVIF	Present value of in-force long-term insurance business and long-term investment contracts with DPF
Revenue	Net operating income before ECL
RFR	Risk-free rate
RoE	Return on average ordinary shareholders' equity
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
SABB	The Saudi British Bank
ServCo group	Separately incorporated group of service companies established in response to UK ring-fencing requirements
SME	Small and medium-sized enterprise
WPB	Wealth and Personal Banking, a global business
\$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

### Data Pack

### 3Q 2021

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 2020*. 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 2020*, the *Interim Report 2021*, and other reports and financial information published by HSBC.

Unless stated otherwise, all information is on a reported basis. Where disclosed, adjusted performance information 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 provides 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. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 52 of our *Interim Report 2021*. All alternative performance measures are reconciled to the closest reported financial measure.

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

The quarterly comparatives are translated at average 3Q21 exchange rates for the income statement or at the prevailing rates of exchange on 30 September 2021 for the balance sheet. The yearly comparatives are translated at average FY20 exchange rates for the income statement or at the prevailing rates of exchange on 31 December 2020 for the balance sheet. **The income statement for the nine months to 30 September 2020 is translated at the average rate of exchange for the nine months to 30 September 2021.**

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**HSBC**  
**HSBC Holdings plc consolidated**

**Reported (\$m)**

	Quarter ended					Year to date		
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-21	30-Sep-20
Net interest income	6,610	6,584	6,514	6,619	6,450	27,578	19,708	20,959
Net fee income	3,322	3,211	3,463	2,967	2,981	11,874	9,996	8,907
Other operating income	2,080	2,770	3,009	2,171	2,496	10,977	7,859	8,806
<b>Net operating income before change in expected credit losses and other credit impairment charges<sup>1</sup></b>	<b>12,012</b>	<b>12,565</b>	<b>12,986</b>	<b>11,757</b>	<b>11,927</b>	<b>50,429</b>	<b>37,563</b>	<b>38,672</b>
Change in expected credit losses and other credit impairment charges	659	284	435	(1,174)	(785)	(8,817)	1,378	(7,643)
Total operating expenses <sup>1</sup>	(7,989)	(8,560)	(8,527)	(9,864)	(8,041)	(34,432)	(25,076)	(24,568)
of which: staff expenses	(4,130)	(4,689)	(4,921)	(5,079)	(4,483)	(18,076)	(13,740)	(12,997)
Share of profit in associates and joint ventures	721	771	885	666	(27)	1,597	2,377	931
<b>Profit/(loss) before tax</b>	<b>5,403</b>	<b>5,060</b>	<b>5,779</b>	<b>1,385</b>	<b>3,074</b>	<b>8,777</b>	<b>16,242</b>	<b>7,392</b>
Tax expense	(1,161)	(1,206)	(1,211)	(450)	(1,035)	(2,678)	(3,578)	(2,228)
Profit/(loss) after tax	4,242	3,854	4,568	935	2,039	6,099	12,664	5,164
Profit/(loss) attributable to:								
- ordinary shareholders of the parent company ("PAOS")	3,543	3,396	3,880	562	1,359	3,898	10,819	3,336
- preference shareholders of the parent company	—	—	7	23	22	90	7	67
- other equity holders of the parent company	495	212	454	175	449	1,241	1,161	1,066
- non-controlling interests	204	246	227	175	209	870	677	695
(Increase)/decrease in present value of in-force insurance business ("PVIF") (net of tax)	(68)	(44)	60	309	(252)	(253)	(52)	(562)
Impairment of goodwill and other intangible assets (net of tax)	17	—	—	(120)	2	1,036	17	1,156
PAOS net of PVIF and goodwill impairment	3,492	3,352	3,940	751	1,109	4,681	10,784	3,930

**Reported significant items - Totals (\$m)**

Revenue	(189)	41	(287)	(67)	(138)	63	(435)	130
ECL	—	—	—	—	—	—	—	—
Operating expenses	(404)	(541)	(324)	(758)	(630)	(2,973)	(1,269)	(2,215)
Share of profit in associates and joint ventures	—	—	—	—	(462)	(462)	—	(462)

**Adjusted (\$m)**

<b>Net operating income before change in expected credit losses and other credit impairment charges<sup>1</sup></b>	<b>12,201</b>	<b>12,395</b>	<b>13,190</b>	<b>11,946</b>	<b>12,374</b>	<b>50,366</b>	<b>37,998</b>	<b>39,971</b>
of which: net interest income	6,610	6,518	6,452	6,668	6,646	27,599	19,691	21,688
of which: net fee income	3,322	3,182	3,440	2,980	3,029	11,874	9,996	9,193
Change in expected credit losses and other credit impairment charges	659	280	432	(1,199)	(823)	(8,817)	1,378	(8,110)
Total operating expenses <sup>1</sup>	(7,585)	(7,936)	(8,150)	(9,199)	(7,612)	(31,459)	(23,807)	(23,317)
Share of profit in associates and joint ventures	721	769	886	680	459	2,059	2,377	1,508
<b>Profit/(loss) before tax</b>	<b>5,996</b>	<b>5,508</b>	<b>6,358</b>	<b>2,228</b>	<b>4,398</b>	<b>12,149</b>	<b>17,946</b>	<b>10,052</b>

**HSBC**  
**HSBC Holdings plc consolidated**

**Earnings metrics**

	Quarter ended					Year to date	Year to date	Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-21	30-Sep-20
Return on average equity (annualised)	8.0 %	7.8 %	9.0 %	1.3 %	3.2 %	2.3 %	8.2 %	2.7 %
Return on average tangible equity (annualised)	8.7 %	8.6 %	10.2 %	1.9 %	2.9 %	3.1 %	9.1 %	3.5 %
Earnings per share (\$)	0.18	0.17	0.19	0.03	0.07	0.19	0.54	0.17
Adjusted ECL / average gross loans (annualised)	(0.25)%	(0.11)%	(0.17)%	0.45 %	0.31 %	0.81 %	(0.18)%	1.01 %

**Dividends**

Dividends per share - declared in respect of the period (\$)	—	0.07	—	0.15	—	0.15	0.07	—
Dividends paid during the period, net of scrip (\$m)	0.07	0.15	—	—	—	—	0.22	—
Value of scrip issued during period (\$m)	—	—	—	—	—	—	—	—

**Revenue significant items (\$m)**

Customer redress programmes	—	—	18	1	(48)	(21)	18	(22)
Disposals, acquisitions and investment in new businesses	—	—	—	(2)	—	(10)	—	(8)
Fair value movements on financial instruments	(64)	45	(239)	(46)	11	264	(258)	310
Restructuring and other related costs	(125)	(4)	(66)	(20)	(101)	(170)	(195)	(150)

**Cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—	—	—
Customer redress programmes	(7)	(27)	10	107	(3)	54	(24)	(53)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(8)	(57)	(1,090)	—	(1,082)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(17)	—	(17)	—	—
Restructuring and other related costs	(397)	(514)	(334)	(836)	(567)	(1,908)	(1,245)	(1,072)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(4)	(3)	(12)	—	(8)

**Share of profit in associates and joint ventures significant items (\$m)**

Impairment of goodwill	—	—	—	—	(462)	(462)	—	(462)
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**Reconciling items - Currency translation on reported items - Totals (\$m)**

Revenue		(130)	(83)	124	303			1,420
ECL		(4)	(3)	(25)	(38)			(467)
Operating expenses		89	54	(100)	(210)			(1,097)
Share of profit in associates and joint ventures		(2)	1	14	24			115
Currency translation on revenue significant items		(1)	—	2	(6)			(9)
Currency translation on operating expense significant items		6	1	(7)	(9)			(133)
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—			—

*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.*

**HSBC**  
**HSBC Holdings plc consolidated**

	Balance sheet date				Balance sheet date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Assets – reported (\$m)</b>						
Cash and balances at central banks	409,918	393,559	384,448	304,481	285,508	304,481
Items in the course of collection from other banks	6,384	9,406	5,162	4,094	6,165	4,094
Hong Kong Government certificates of indebtedness	41,476	41,880	41,020	40,420	40,086	40,420
Trading assets	256,374	260,250	249,031	231,990	222,355	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	49,068	49,120	46,829	45,553	44,253	45,553
Derivatives	198,533	209,516	241,048	307,726	294,678	307,726
Loans and advances to banks	95,974	86,886	83,873	81,616	83,854	81,616
Loans and advances to customers (net)	1,039,677	1,059,511	1,040,207	1,037,987	1,041,340	1,037,987
Reverse repurchase agreements – non-trading	211,035	201,714	190,260	230,628	221,179	230,628
Financial investments	428,751	434,576	451,207	490,693	475,302	490,693
Prepayments, accrued income and other assets	177,145	175,155	172,708	156,412	191,040	156,412
Current tax assets	428	405	568	954	734	954
Interests in associates and joint ventures	28,561	28,709	27,543	26,684	25,087	26,684
Goodwill and intangible assets	20,895	20,703	20,275	20,443	20,162	20,443
Deferred tax assets	4,572	4,615	4,450	4,483	4,192	4,483
<b>Total assets</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,958,629</b>	<b>2,984,164</b>	<b>2,955,935</b>	<b>2,984,164</b>
<b>Liabilities – reported (\$m)</b>						
Hong Kong currency notes in circulation	41,476	41,880	41,020	40,420	40,086	40,420
Deposits by banks	92,548	100,448	86,743	82,080	91,739	82,080
Customer accounts	1,687,982	1,669,091	1,650,019	1,642,780	1,568,714	1,642,780
Repurchase agreements – non-trading	121,158	112,798	107,896	111,901	118,844	111,901
Items in the course of transmission to other banks	7,563	15,100	6,540	4,343	14,389	4,343
Trading liabilities	89,212	89,637	85,755	75,266	80,338	75,266
Financial liabilities designated at fair value	146,086	151,686	151,673	157,439	156,459	157,439
Derivatives	189,169	200,156	229,599	303,001	285,239	303,001
Debt securities in issue	82,903	84,218	96,039	95,492	102,406	95,492
Accruals, deferred income and other liabilities	164,487	164,800	159,246	128,624	163,912	128,624
Current tax liabilities	1,516	929	681	690	1,274	690
Liabilities under insurance contracts	111,015	110,572	107,910	107,191	102,708	107,191
Provisions	2,359	2,814	3,168	3,678	3,297	3,678
Deferred tax liabilities	4,125	4,338	3,807	4,313	4,490	4,313
Subordinated liabilities	20,503	20,774	20,817	21,951	21,779	21,951
<b>Total liabilities</b>	<b>2,762,102</b>	<b>2,769,241</b>	<b>2,750,913</b>	<b>2,779,169</b>	<b>2,755,674</b>	<b>2,779,169</b>

## HSBC

### HSBC Holdings plc consolidated

#### Equity – reported (\$m)

Called up share capital	10,376	10,376	10,375	10,347	10,346	10,347
Share premium account	14,601	14,600	14,588	14,277	14,274	14,277
Other equity instruments	22,414	22,414	24,414	22,414	20,914	22,414
Other reserves	3,979	6,509	6,016	8,833	3,622	8,833
Retained earnings	146,774	144,319	143,817	140,572	142,748	140,572
<b>Total shareholders' equity</b>	<b>198,144</b>	<b>198,218</b>	<b>199,210</b>	<b>196,443</b>	<b>191,904</b>	<b>196,443</b>
Non-controlling interests	8,545	8,546	8,506	8,552	8,357	8,552
<b>Total equity</b>	<b>206,689</b>	<b>206,764</b>	<b>207,716</b>	<b>204,995</b>	<b>200,261</b>	<b>204,995</b>
<b>Total liabilities and equity</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,958,629</b>	<b>2,984,164</b>	<b>2,955,935</b>	<b>2,984,164</b>

#### Other balance sheet data - reported (\$m)

Loans and advances to customers (gross)	1,051,186	1,072,374	1,053,790	1,052,478	1,055,043	1,052,478
Risk-weighted assets <sup>1</sup>	839,184	862,292	846,835	857,520	857,024	857,520
Total shareholders' equity	198,144	198,218	199,210	196,443	191,904	196,443
AT1 capital	(22,414)	(22,414)	(24,414)	(22,414)	(20,914)	(22,414)
Preference shares	—	—	—	—	(1,405)	—
Perpetual capital securities	—	—	—	—	—	—
<b>Ordinary shareholders' equity ('NAV')</b>	<b>175,730</b>	<b>175,804</b>	<b>174,796</b>	<b>174,029</b>	<b>169,585</b>	<b>174,029</b>
Goodwill, PVIF and other intangibles (net of deferred tax)	(18,019)	(17,819)	(17,439)	(17,606)	(17,325)	(17,606)
<b>Tangible equity ('TNAV')</b>	<b>157,711</b>	<b>157,985</b>	<b>157,357</b>	<b>156,423</b>	<b>152,260</b>	<b>156,423</b>

	Year to date				Year ended	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Average TNAV</b>	<b>158,354</b>	<b>156,412</b>	<b>157,400</b>	<b>150,101</b>	<b>148,700</b>	<b>150,101</b>
Fair value of own debt, DVA and other adjustments	1,547	3,286	1,641	422	(260)	422
<b>Average TNAV excluding fair value of own debt, DVA and other adjustments (RoTE TNAV)</b>	<b>159,901</b>	<b>159,698</b>	<b>159,041</b>	<b>150,523</b>	<b>148,440</b>	<b>150,523</b>

# HSBC

## HSBC Holdings plc consolidated

	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Adjusted balance sheet data – at most recent balance sheet FX rates (\$m)</b>						
Loans and advances to customers (net)	1,039,677	1,045,360	1,029,015	1,022,704	1,058,541	1,037,987
Customer accounts	1,687,982	1,647,240	1,632,736	1,620,546	1,592,284	1,642,780
Risk-weighted assets <sup>1</sup>	839,184	853,618	840,218	846,140	866,481	857,520
<b>Regulatory capital – Transitional basis (\$m)</b>						
Common equity tier 1 capital	133,195	134,606	134,481	136,050	133,383	136,050
Additional tier 1 capital	23,714	23,729	25,715	24,123	24,027	24,123
Tier 2 capital	22,069	22,787	22,921	24,250	24,424	24,250
Total regulatory capital	178,978	181,122	183,117	184,423	181,834	184,423
<b>Regulatory capital – end-point basis (\$m)</b>						
Common equity tier 1 capital	133,195	134,606	134,481	136,050	133,383	136,050
Additional tier 1 capital	22,408	22,423	24,409	22,411	20,910	22,411
Tier 2 capital	13,016	13,662	13,870	14,743	14,861	14,743
Total regulatory capital	168,619	170,691	172,760	173,204	169,154	173,204
<b>Capital ratios – transitional basis</b>						
Common equity tier 1 ratio	15.9 %	15.6 %	15.9 %	15.9 %	15.6 %	15.9 %
Tier 1 ratio	18.7 %	18.4 %	18.9 %	18.7 %	18.4 %	18.7 %
Total capital ratio	21.3 %	21.0 %	21.6 %	21.5 %	21.2 %	21.5 %
<b>Capital ratios – end-point basis</b>						
Common equity tier 1 ratio	15.9 %	15.6 %	15.9 %	15.9 %	15.6 %	15.9 %
Tier 1 ratio	18.5 %	18.2 %	18.8 %	18.5 %	18.0 %	18.5 %
Total capital ratio	20.1 %	19.8 %	20.4 %	20.2 %	19.7 %	20.2 %
Leverage exposures (\$m)	2,964,827	2,968,472	2,930,186	2,897,113	2,857,360	2,897,113
Leverage Ratio	5.2 %	5.3 %	5.4 %	5.5 %	5.4 %	5.5 %



## HSBC

### HSBC Holdings plc consolidated

#### Balance sheet metrics

NAV / share (\$) at the end of the period  
TNAV / share (\$) at the end of the period

<b>\$8.70</b>	\$8.69	\$8.64	\$8.62	\$8.41	\$8.62
<b>\$7.81</b>	\$7.81	\$7.78	\$7.75	\$7.55	\$7.75

#### Ordinary \$0.50 shares

Basic number of ordinary shares in issue (m)

<b>20,201</b>	20,223	20,226	20,184	20,173	20,184
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	Quarter ended				Year ended	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Ordinary shares issued during the period (m)	—	3	56	1	1	55
<i>of which scrip</i>	—	—	—	—	—	—
Shares bought back during the period (m)	—	—	—	—	—	—
Other movements in basic number of ordinary shares during the period	(22)	(6)	(14)	10	10	(77)
Average basic number of ordinary shares outstanding during the period (m)	<b>20,213</b>	20,227	20,191	20,179	20,166	20,169

#### Balance sheet data – significant items- Totals (\$m)

Risk-weighted assets – disposals

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#### Balance sheet data – currency translation on reported items – Totals (\$m)

Loans and advances to customers (net)  
Customer accounts  
Risk-weighted assets<sup>1</sup>

(14,151)	(11,192)	(15,283)	17,201
(21,851)	(17,283)	(22,234)	23,570
(8,674)	(6,617)	(11,380)	9,457

<sup>1</sup> Risk-weighted assets figures presented in the data pack are calculated using the regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation.

# HSBC

## HSBC Holdings plc

### Net Interest Margin

	Quarter to date					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Average balances during period (\$m)</b>						
Short-term funds and loans and advances to banks	471,201	451,441	391,270	348,680	332,291	298,255
Loans and advances to customers	1,057,515	1,065,218	1,062,715	1,051,692	1,051,522	1,046,795
Reverse repurchase agreements – non-trading	200,930	191,927	211,034	225,791	217,516	221,901
Financial investments	422,161	438,848	458,435	470,099	481,113	463,542
Other interest-earning assets	56,153	51,519	55,464	62,741	59,012	62,407
<b>Total interest-earning assets</b>	<b>2,207,960</b>	<b>2,198,953</b>	<b>2,178,918</b>	<b>2,159,003</b>	<b>2,141,454</b>	<b>2,092,900</b>
<b>Interest income during period (\$m)</b>						
Short-term funds and loans and advances to banks	293	267	240	247	257	1,264
Loans and advances to customers	6,480	6,516	6,489	6,663	6,750	29,391
Reverse repurchase agreements – non-trading	290	224	262	271	256	1,819
Financial investments	1,648	1,676	1,715	1,797	1,895	8,143
Other interest-earning assets	299	292	279	323	297	1,139
<b>Total</b>	<b>9,010</b>	<b>8,975</b>	<b>8,985</b>	<b>9,301</b>	<b>9,455</b>	<b>41,756</b>
<b>Average balances during period (\$m)</b>						
Deposits by banks	74,569	74,029	72,767	73,622	64,908	65,536
Customer accounts	1,364,573	1,366,651	1,343,405	1,318,889	1,289,726	1,254,249
Repurchase agreements – non-trading	112,142	107,868	108,466	107,666	115,148	125,376
Debt securities in issue – non-trading	189,253	194,612	203,552	210,501	221,507	219,610
Other interest-bearing liabilities	72,692	67,541	69,221	74,224	76,861	76,395
<b>Total interest-bearing liabilities</b>	<b>1,813,229</b>	<b>1,810,701</b>	<b>1,797,411</b>	<b>1,784,902</b>	<b>1,768,150</b>	<b>1,741,166</b>
Non-interest bearing current accounts	320,854	316,041	305,390	294,420	272,658	267,944
<b>Interest expense during period (\$m)</b>						
Deposits by banks	44	56	51	57	47	330
Customer accounts	1,037	1,005	1,015	1,116	1,292	6,478
Repurchase agreements – non-trading	96	81	85	106	103	963
Debt securities in issue – non-trading	870	911	953	1,043	1,182	4,944
Other interest-bearing liabilities	353	338	367	360	381	1,463
<b>Total</b>	<b>2,400</b>	<b>2,391</b>	<b>2,471</b>	<b>2,682</b>	<b>3,005</b>	<b>14,178</b>
<b>Net interest margin (%)</b>	<b>1.19 %</b>	<b>1.20 %</b>	<b>1.21 %</b>	<b>1.22 %</b>	<b>1.20 %</b>	<b>1.32 %</b>



# HSBC

## Wealth and Personal Banking

### Management View of Adjusted Revenue – at originally reported average FX rates (\$m)<sup>2</sup>

	Quarter ended				Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Wealth</b>	<b>2,166</b>	<b>2,439</b>	<b>2,382</b>	<b>2,053</b>	<b>2,160</b>	<b>7,818</b>
– investment distribution	870	826	1,025	736	872	3,209
– life insurance manufacturing	518	871	568	628	601	1,816
– Private Banking	467	446	488	407	418	1,746
Net interest income	161	163	156	156	142	670
Non interest income	306	283	332	251	276	1,076
– asset management	311	296	301	282	269	1,047
<b>Personal Banking</b>	<b>3,067</b>	<b>3,093</b>	<b>3,051</b>	<b>3,043</b>	<b>2,999</b>	<b>12,938</b>
Net interest income	2,710	2,753	2,703	2,721	2,686	11,708
Non interest income	357	340	348	322	313	1,230
Other	185	175	261	225	282	1,257
<b>Net operating income</b>	<b>5,418</b>	<b>5,707</b>	<b>5,694</b>	<b>5,321</b>	<b>5,441</b>	<b>22,013</b>

### Management View of Adjusted Revenue – at most recent period average FX rates (\$m)<sup>2</sup>

<b>Wealth</b>	<b>2,166</b>	<b>2,422</b>	<b>2,368</b>	<b>2,058</b>	<b>2,188</b>	<b>7,818</b>
– investment distribution	870	821	1,021	738	881	3,209
– life insurance manufacturing	518	866	563	627	609	1,816
– Private Banking	467	442	485	409	424	1,746
Net interest income	161	162	156	157	144	670
Non interest income	306	280	329	252	280	1,076
– asset management	311	293	299	284	274	1,047
<b>Personal Banking</b>	<b>3,067</b>	<b>3,062</b>	<b>3,038</b>	<b>3,089</b>	<b>3,098</b>	<b>12,938</b>
Net interest income	2,710	2,725	2,693	2,762	2,777	11,708
Non interest income	357	337	345	327	321	1,230
Other	185	171	255	223	284	1,257
<b>Net operating income</b>	<b>5,418</b>	<b>5,655</b>	<b>5,661</b>	<b>5,370</b>	<b>5,570</b>	<b>22,013</b>

## HSBC

### Wealth and Personal Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	—	—	—	(1)	(1)	(9)
Fair value movement on financial instruments	(1)	1	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	—	—

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(5)	(25)	12	109	4	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	15	(224)	(294)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(29)	(124)	(80)	(134)	31	(192)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

Revenue		(52)	(33)	51	127	
ECL		(2)	(1)	(6)	(27)	
Operating expenses		40	27	(31)	(87)	
Share of profit in associates and joint ventures		(1)	—	1	—	
Currency translation on revenue significant items		(1)	—	2	(2)	
Currency translation on operating expense significant items		1	1	2	3	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(7,555)	(6,060)	(7,261)	8,772	
Customer accounts		(10,451)	(8,491)	(10,415)	10,354	
Risk-weighted assets		(2,073)	(1,480)	(2,490)	1,831	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 With effect from the first quarter of 2021, certain items within the management view of adjusted revenue have been renamed. 'Wealth Management' has been renamed 'Wealth' and 'Retail Banking' has been renamed 'Personal Banking'.

**HSBC**  
**Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
Net interest income	2,236	2,204	2,182	2,210	2,208	9,301
Net fee income	925	898	888	808	787	3,225
Other operating income	213	219	279	128	153	768
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,374</b>	<b>3,321</b>	<b>3,349</b>	<b>3,146</b>	<b>3,148</b>	<b>13,294</b>
Change in expected credit losses and other credit impairment charges	272	19	230	(874)	(354)	(4,754)
Total operating expenses	(1,706)	(1,785)	(1,759)	(1,916)	(1,587)	(6,900)
of which: staff expenses	(605)	(659)	(640)	(789)	(619)	(2,606)
Share of profit in associates and joint ventures	—	—	1	(1)	—	(1)
<b>Profit/(loss) before tax</b>	<b>1,940</b>	<b>1,555</b>	<b>1,821</b>	<b>355</b>	<b>1,207</b>	<b>1,639</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	18	(1)	(17)	(18)
ECL	—	—	—	—	—	—
Operating expenses	(33)	(16)	(3)	(152)	48	(211)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,374</b>	<b>3,282</b>	<b>3,311</b>	<b>3,186</b>	<b>3,247</b>	<b>13,312</b>
of which: net interest income	2,236	2,180	2,148	2,231	2,278	9,317
of which: net fee income	925	887	883	820	807	3,225
Change in expected credit losses and other credit impairment charges	272	18	228	(891)	(363)	(4,754)
Total operating expenses	(1,673)	(1,750)	(1,744)	(1,782)	(1,678)	(6,689)
Share of profit in associates and joint ventures	—	—	1	—	—	(1)
<b>Profit/(loss) before tax</b>	<b>1,973</b>	<b>1,550</b>	<b>1,796</b>	<b>513</b>	<b>1,206</b>	<b>1,868</b>
<b>Earnings metrics – adjusted</b>						
Return on average tangible equity (annualised, YTD) <sup>1</sup>	11.6 %	11.1 %	11.5 %	1.3 %	1.1 %	1.3 %
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	352,101	358,460	351,236	351,098	350,947	351,098
Loans and advances to customers (net)	345,156	350,945	343,623	343,182	343,702	343,182
Total external assets	624,523	624,042	605,417	570,295	555,635	570,295
Customer accounts	488,201	485,689	470,872	470,428	431,021	470,428
Risk-weighted assets	326,902	332,084	326,818	327,734	332,378	327,734
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	345,156	346,592	340,400	338,621	349,233	343,182
Customer accounts	488,201	479,093	466,007	464,418	438,679	470,428
Risk-weighted assets	326,902	328,014	323,792	322,966	337,682	327,734

## HSBC

### Commercial Banking

#### Management View of Adjusted Revenue – at originally reported average FX rates (\$m)

	Quarter ended				Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Global Trade and Receivables Finance	500	478	455	423	429	1,744
Credit and Lending	1,520	1,497	1,468	1,457	1,442	5,640
Global Liquidity and Cash Management <sup>2</sup>	896	879	862	898	920	4,146
Markets products, Insurance and Investments and other	458	466	546	369	374	1,782
– of which: share of revenue from Markets and Securities Services and Banking products	266	265	259	231	221	920
<b>Net operating income</b>	<b>3,374</b>	<b>3,320</b>	<b>3,331</b>	<b>3,147</b>	<b>3,165</b>	<b>13,312</b>

#### Management View of Adjusted Revenue – at most recent period average FX rates (\$m)

Global Trade and Receivables Finance	500	474	452	426	436	1,744
Credit and Lending	1,520	1,479	1,459	1,481	1,482	5,640
Global Liquidity and Cash Management <sup>2</sup>	896	870	857	908	943	4,146
Markets products, Insurance and Investments and other	458	459	543	371	386	1,782
– of which: share of revenue from Markets and Securities Services and Banking products	266	262	257	234	227	920
<b>Net operating income</b>	<b>3,374</b>	<b>3,282</b>	<b>3,311</b>	<b>3,186</b>	<b>3,247</b>	<b>13,312</b>

#### Reported Revenue significant items (\$m)

Customer redress programmes	—	—	19	1	(17)	(16)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	—	—	1	(1)	—	(1)
Restructuring and other related costs	—	—	(2)	(1)	—	(1)

#### Reported Cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(1)	(3)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(33)	(16)	(3)	(151)	51	(165)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Commercial Banking

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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### Reconciling items Currency translation on reported items – Totals (\$m)

Revenue		(39)	(20)	39	82
ECL		(1)	(2)	(17)	(9)
Operating expenses		19	12	(19)	(41)
Share of profit in associates and joint ventures		—	—	1	—
Currency translation on revenue significant items		—	—	—	—
Currency translation on operating expense significant items		—	—	(1)	2
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(4,353)	(3,223)	(4,561)	5,531
Customer accounts		(6,596)	(4,865)	(6,010)	7,658
Risk-weighted assets		(4,070)	(3,026)	(4,768)	5,304

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 With effect from January 2021, a change in the transfer pricing methodology resulted in a reduction in revenue for GLCM, offset in Other, leaving CMB quarterly revenue unchanged. All prior quarters have been re-presented on the revised basis.



**HSBC**  
**Global Banking and Markets**

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Reported (\$m)</b>							
Net interest income	1,020	999	1,025	1,106	1,040	4,518	
Net fee income	923	909	950	841	818	3,267	
Other operating income	1,568	1,580	2,240	1,352	1,652	7,209	
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,511</b>	<b>3,488</b>	<b>4,215</b>	<b>3,299</b>	<b>3,510</b>	<b>14,994</b>	
Change in expected credit losses and other credit impairment charges	147	224	190	9	(100)	(1,209)	
Total operating expenses	(2,382)	(2,482)	(2,576)	(2,604)	(2,412)	(10,169)	
of which: staff expenses	(904)	(1,048)	(1,042)	(1,179)	(999)	(3,973)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Profit/(loss) before tax</b>	<b>1,276</b>	<b>1,230</b>	<b>1,829</b>	<b>704</b>	<b>998</b>	<b>3,616</b>	
<b>Reported Significant items – Totals (\$m)</b>							
Revenue	(93)	(98)	(77)	(212)	(104)	(309)	
ECL	—	—	—	—	—	—	
Operating expenses	(47)	(44)	(29)	(134)	(130)	(905)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Adjusted (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,604</b>	<b>3,544</b>	<b>4,258</b>	<b>3,537</b>	<b>3,709</b>	<b>15,303</b>	
of which: net interest income	1,020	990	1,014	1,102	1,056	4,518	
of which: net fee income	923	899	939	834	825	3,267	
Change in expected credit losses and other credit impairment charges	147	224	189	8	(103)	(1,209)	
Total operating expenses	(2,335)	(2,408)	(2,526)	(2,507)	(2,358)	(9,264)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Profit/(loss) before tax</b>	<b>1,416</b>	<b>1,360</b>	<b>1,921</b>	<b>1,038</b>	<b>1,248</b>	<b>4,830</b>	
<b>Earnings metrics – adjusted</b>							
Return on average tangible equity (annualised, YTD) <sup>1</sup>	10.1 %	10.7 %	12.1 %	6.7 %	6.9 %	6.7 %	
	Balance sheet date					Balance sheet date	
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>	
Loans and advances to customers (gross)	213,087	217,292	222,660	226,024	238,670	226,024	
Loans and advances to customers (net)	211,976	216,098	221,223	224,364	236,902	224,364	
Total external assets	1,265,530	1,258,694	1,281,710	1,347,440	1,380,766	1,347,440	
Customer accounts	354,466	341,242	335,823	336,983	343,365	336,983	
Risk-weighted assets	249,081	255,158	254,587	265,147	267,162	265,147	
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>							
Loans and advances to customers (net)	211,976	213,872	219,328	220,926	239,778	224,364	
Customer accounts	354,466	336,460	331,910	331,189	348,905	336,983	
Risk-weighted assets	249,081	252,932	252,822	261,643	269,255	265,147	

**Management View of Adjusted Revenue – at originally reported average FX rates (\$m)<sup>2</sup>**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Markets and Securities Services</b>	<b>1,985</b>	<b>1,941</b>	<b>2,492</b>	<b>1,919</b>	<b>2,022</b>	<b>8,787</b>
Securities Services	528	472	452	439	409	1,792
Global Debt Markets	164	317	396	118	300	1,415
Global Foreign Exchange	772	728	952	820	827	4,046
Equities	348	223	419	298	226	831
Securities Financing	222	198	240	174	228	955
Credit and Funding Valuation Adjustments	(49)	3	33	70	32	(252)
<b>Banking</b>	<b>1,659</b>	<b>1,661</b>	<b>1,630</b>	<b>1,571</b>	<b>1,595</b>	<b>6,599</b>
Global Trade and Receivables Finance	180	180	178	167	173	686
Global Liquidity and Cash Management	465	448	444	465	454	2,005
Credit & Lending	629	658	654	649	672	2,622
Capital Markets & Advisory	337	320	291	253	278	1,033
Other	48	55	63	37	18	253
<b>GBM Other</b>	<b>(40)</b>	<b>(16)</b>	<b>170</b>	<b>21</b>	<b>(3)</b>	<b>(83)</b>
Principal Investments	88	64	173	74	52	114
Other	(128)	(80)	(3)	(53)	(55)	(197)
<b>Net operating income</b>	<b>3,604</b>	<b>3,586</b>	<b>4,292</b>	<b>3,511</b>	<b>3,614</b>	<b>15,303</b>

**Management View of Adjusted Revenue – at most recent period average FX rates (\$m)<sup>2</sup>**

<b>Markets and Securities Services</b>	<b>1,985</b>	<b>1,921</b>	<b>2,473</b>	<b>1,927</b>	<b>2,066</b>	<b>8,787</b>
Securities services	528	467	448	436	417	1,792
Global Debt Markets	164	314	394	118	306	1,415
Global Foreign Exchange	772	721	944	821	842	4,046
Equities	348	220	416	302	233	831
Securities Financing	222	196	239	178	233	955
Credit and Funding Valuation Adjustments	(49)	3	32	72	35	(252)
<b>Banking</b>	<b>1,659</b>	<b>1,646</b>	<b>1,617</b>	<b>1,575</b>	<b>1,626</b>	<b>6,599</b>
Global Trade and Receivables Finance	180	178	176	168	176	686
Global Liquidity and Cash Management	465	444	440	464	460	2,005
Credit & Lending	629	650	648	656	686	2,622
Capital Markets & Advisory	337	317	289	255	286	1,033
Other	48	57	64	32	18	253
<b>GBM Other</b>	<b>(40)</b>	<b>(23)</b>	<b>168</b>	<b>35</b>	<b>17</b>	<b>(83)</b>
Principal Investments	88	63	173	71	53	114
Other	(128)	(86)	(5)	(36)	(36)	(197)
<b>Net operating income</b>	<b>3,604</b>	<b>3,544</b>	<b>4,258</b>	<b>3,537</b>	<b>3,709</b>	<b>15,303</b>

## HSBC

### Global Banking and Markets

#### Reported Revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	9	(1)	(12)	(64)	(3)	(2)
Restructuring and other related costs	(102)	(97)	(65)	(148)	(101)	(307)

#### Reported Cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	1	(11)	(577)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(47)	(44)	(29)	(135)	(119)	(326)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	(2)

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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#### Reconciling items Currency translation on reported items – Totals (\$m)

Revenue		(41)	(34)	20	93	
ECL		—	(1)	(1)	(3)	
Operating expenses		31	21	(39)	(79)	
Share of profit in associates and joint ventures		—	—	—	—	
Currency translation on revenue significant items		1	—	(6)	(2)	
Currency translation on operating expense significant items		1	—	(2)	(3)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(2,226)	(1,895)	(3,438)	2,876	
Customer accounts		(4,782)	(3,913)	(5,794)	5,540	
Risk-weighted assets		(2,226)	(1,765)	(3,504)	2,093	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 With effect from the first quarter of 2021, the management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. All prior quarters have been re-presented on the new basis.

**HSBC**  
**Corporate Centre**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
Net interest income	(187)	(180)	(198)	(247)	(276)	(1,326)
Net fee income	(22)	(9)	(3)	(8)	(15)	(26)
Other operating income	(80)	238	(70)	247	151	1,494
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(289)</b>	<b>49</b>	<b>(271)</b>	<b>(8)</b>	<b>(140)</b>	<b>142</b>
Change in expected credit losses and other credit impairment charges	3	7	(3)	1	12	1
Total operating expenses	(99)	(350)	(318)	(1,338)	(171)	(1,917)
<i>of which: staff expenses</i>	<i>(1,199)</i>	<i>(1,466)</i>	<i>(1,663)</i>	<i>(1,523)</i>	<i>(1,427)</i>	<i>(5,696)</i>
Share of profit in associates and joint ventures	708	768	876	663	(37)	1,592
<b>Profit/(loss) before tax</b>	<b>323</b>	<b>474</b>	<b>284</b>	<b>(682)</b>	<b>(336)</b>	<b>(182)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(94)	138	(227)	147	15	404
ECL	—	—	—	—	—	—
Operating expenses	(290)	(332)	(224)	(462)	(359)	(1,435)
Share of profit in associates and joint ventures	—	—	—	—	(462)	(462)
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(195)</b>	<b>(86)</b>	<b>(40)</b>	<b>(147)</b>	<b>(152)</b>	<b>(262)</b>
<i>of which: net interest expense</i>	<i>(187)</i>	<i>(179)</i>	<i>(199)</i>	<i>(248)</i>	<i>(284)</i>	<i>(1,326)</i>
<i>of which: net fee income/(expense)</i>	<i>(21)</i>	<i>(8)</i>	<i>(3)</i>	<i>(9)</i>	<i>(15)</i>	<i>(26)</i>
Change in expected credit losses and other credit impairment charges	3	6	(2)	—	13	1
Total operating expenses	191	(23)	(100)	(881)	196	(482)
Share of profit in associates and joint ventures	708	767	877	675	449	2,054
<b>Profit/(loss) before tax</b>	<b>707</b>	<b>664</b>	<b>735</b>	<b>(353)</b>	<b>506</b>	<b>1,311</b>
<b>Earnings metrics – adjusted</b>						
Return on average tangible equity (annualised, YTD) <sup>1</sup>	5.4 %	5.1 %	7.4 %	3.1 %	4.6 %	3.1 %
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	760	1,157	1,112	1,268	1,233	1,268
Loans and advances to customers (net)	750	1,148	1,101	1,255	1,220	1,255
Total external assets	162,560	180,790	191,350	184,511	168,441	184,511
Customer accounts	704	903	792	610	716	610
Risk-weighted assets	86,169	90,077	93,485	91,852	84,324	91,852
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	750	1,131	1,087	1,232	1,242	1,255
Customer accounts	704	881	778	595	734	610
Risk-weighted assets	86,169	89,772	93,139	91,234	84,553	91,852

## HSBC Corporate Centre

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Management View of Adjusted Revenue – at originally reported average FX rates (\$m)</b>						
Central Treasury	(35)	(27)	(28)	(12)	(32)	156
Legacy Credit	(35)	7	9	3	28	(17)
Other	(125)	(69)	(25)	(146)	(151)	(401)
<b>Net operating income</b>	<b>(195)</b>	<b>(89)</b>	<b>(44)</b>	<b>(155)</b>	<b>(155)</b>	<b>(262)</b>
<b>Memo</b>						
Markets Treasury previously reported in Corporate Centre – now allocated to global businesses <sup>2</sup>	524	515	805	610	671	2,809
<b>Management View of Adjusted Revenue – at most recent period average FX rates (\$m)</b>						
Central Treasury	(35)	(27)	(28)	(12)	(32)	156
Legacy Credit	(35)	6	9	3	28	(17)
Other	(125)	(65)	(21)	(138)	(148)	(401)
<b>Net operating income</b>	<b>(195)</b>	<b>(86)</b>	<b>(40)</b>	<b>(147)</b>	<b>(152)</b>	<b>(262)</b>
<b>Memo</b>						
Markets Treasury previously reported in Corporate Centre – now allocated to global businesses <sup>2</sup>	524	510	798	603	672	2,809
<b>Reported Revenue significant items (\$m)</b>						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	(1)	1	(1)
Fair value movement on financial instruments	(72)	45	(228)	19	14	267
Restructuring and other related costs	(22)	93	1	129	—	138
<b>Reported Cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(2)	(2)	(2)	(2)	(7)	(9)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(23)	181	(174)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(17)	—	(17)
Restructuring and other related costs	(288)	(330)	(222)	(416)	(530)	(1,225)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(4)	(3)	(10)

## HSBC Corporate Centre

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	(462)	(462)
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### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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### Reconciling items Currency translation on reported items – Totals (\$m)

Revenue		2	4	14	1	
ECL		(1)	1	(1)	1	
Operating expenses		(1)	(6)	(11)	(3)	
Share of profit in associates and joint ventures		(1)	1	12	24	
Currency translation on revenue significant items		(1)	—	6	(2)	
Currency translation on operating expense significant items		4	—	(6)	(11)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(17)	(14)	(23)	22	
Customer accounts		(22)	(14)	(15)	18	
Risk-weighted assets		(305)	(346)	(618)	229	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 At 4Q20 we renamed our Balance Sheet Management function as Markets Treasury to reflect the activities it undertakes more accurately and its relationship to our Group Treasury function more broadly.



## HSBC Europe

### Europe – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,684</b>	<b>1,749</b>	<b>1,804</b>	<b>1,754</b>	<b>1,608</b>	<b>6,490</b>
<i>of which: net interest income</i>	<i>1,106</i>	<i>1,150</i>	<i>1,075</i>	<i>1,055</i>	<i>1,011</i>	<i>4,182</i>
Change in expected credit losses and other credit impairment charges	239	115	113	(78)	(114)	(1,167)
Total operating expenses	(1,353)	(1,445)	(1,484)	(1,595)	(1,357)	(6,003)
<i>of which: staff expenses</i>	<i>(473)</i>	<i>(513)</i>	<i>(556)</i>	<i>(597)</i>	<i>(482)</i>	<i>(1,993)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>570</b>	<b>419</b>	<b>433</b>	<b>81</b>	<b>137</b>	<b>(680)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(5)	2	(8)	(8)	(31)	(13)
ECL	—	—	—	—	—	—
Operating expenses	(8)	(53)	(48)	39	56	(72)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,689</b>	<b>1,718</b>	<b>1,801</b>	<b>1,818</b>	<b>1,731</b>	<b>6,503</b>
<i>of which: net interest income</i>	<i>1,106</i>	<i>1,132</i>	<i>1,073</i>	<i>1,093</i>	<i>1,105</i>	<i>4,187</i>
Change in expected credit losses and other credit impairment charges	239	115	114	(83)	(118)	(1,167)
Total operating expenses	(1,345)	(1,370)	(1,429)	(1,676)	(1,482)	(5,931)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>583</b>	<b>463</b>	<b>486</b>	<b>59</b>	<b>131</b>	<b>(595)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	223,077	225,163	220,955	220,255	206,497	220,255
Loans and advances to customers (net)	221,470	223,159	218,760	217,870	204,244	217,870
Total external assets	366,588	370,719	357,796	361,385	334,722	361,385
Customer accounts	308,793	310,128	300,962	289,610	267,190	289,610
Risk-weighted assets	52,312	53,678	52,871	54,297	48,065	54,297
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	221,470	217,907	214,362	213,379	210,992	217,870
Customer accounts	308,793	302,804	294,811	284,002	276,360	289,610



**HSBC**  
**Europe**

**Europe – Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,208</b>	<b>1,200</b>	<b>1,210</b>	<b>1,201</b>	<b>1,134</b>	<b>4,573</b>
<i>of which: net interest income</i>	<i>737</i>	<i>747</i>	<i>756</i>	<i>730</i>	<i>701</i>	<i>2,766</i>
Change in expected credit losses and other credit impairment charges	<b>353</b>	161	192	(416)	(233)	(2,022)
Total operating expenses	<b>(653)</b>	(691)	(727)	(899)	(638)	(3,080)
<i>of which: staff expenses</i>	<i>(234)</i>	<i>(249)</i>	<i>(249)</i>	<i>(396)</i>	<i>(241)</i>	<i>(1,094)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>908</b>	<b>670</b>	<b>675</b>	<b>(114)</b>	<b>263</b>	<b>(529)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	1	17	(3)	(16)	(19)
ECL	—	—	—	—	—	—
Operating expenses	<b>(15)</b>	—	(7)	(140)	55	(190)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,208</b>	<b>1,180</b>	<b>1,188</b>	<b>1,247</b>	<b>1,220</b>	<b>4,592</b>
<i>of which: net interest income</i>	<i>737</i>	<i>734</i>	<i>734</i>	<i>759</i>	<i>764</i>	<i>2,782</i>
Change in expected credit losses and other credit impairment charges	<b>353</b>	158	193	(433)	(238)	(2,022)
Total operating expenses	<b>(638)</b>	(682)	(719)	(781)	(728)	(2,890)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>923</b>	<b>656</b>	<b>662</b>	<b>33</b>	<b>254</b>	<b>(320)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>121,670</b>	124,224	126,733	129,719	126,195	129,719
Loans and advances to customers (net)	<b>119,245</b>	121,356	123,685	126,407	123,250	126,407
Total external assets	<b>263,604</b>	271,509	263,370	233,042	219,598	233,042
Customer accounts	<b>205,672</b>	207,253	202,858	200,647	181,865	200,647
Risk-weighted assets	<b>106,408</b>	112,444	111,942	115,252	118,664	115,252
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>119,245</b>	118,454	121,219	123,619	127,078	126,407
Customer accounts	<b>205,672</b>	202,272	198,830	196,486	187,874	200,647

**HSBC**  
**Europe**

**Europe – Global Banking and Markets**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,080</b>	<b>1,204</b>	<b>1,506</b>	<b>1,048</b>	<b>1,168</b>	<b>4,476</b>
<i>of which: net interest income</i>	<i>36</i>	<i>32</i>	<i>39</i>	<i>94</i>	<i>56</i>	<i>210</i>
Change in expected credit losses and other credit impairment charges	62	54	36	(21)	(18)	(569)
Total operating expenses	(1,272)	(1,326)	(1,357)	(1,400)	(1,289)	(5,717)
<i>of which: staff expenses</i>	<i>(426)</i>	<i>(477)</i>	<i>(478)</i>	<i>(599)</i>	<i>(511)</i>	<i>(1,905)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(130)</b>	<b>(68)</b>	<b>185</b>	<b>(373)</b>	<b>(139)</b>	<b>(1,810)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(95)	(87)	(63)	(169)	(58)	(249)
ECL	—	—	—	—	—	—
Operating expenses	(31)	(25)	(20)	(124)	(115)	(855)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,175</b>	<b>1,265</b>	<b>1,558</b>	<b>1,255</b>	<b>1,309</b>	<b>4,725</b>
<i>of which: net interest income</i>	<i>36</i>	<i>29</i>	<i>38</i>	<i>99</i>	<i>65</i>	<i>210</i>
Change in expected credit losses and other credit impairment charges	62	53	35	(22)	(19)	(569)
Total operating expenses	(1,241)	(1,277)	(1,325)	(1,318)	(1,245)	(4,862)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(4)</b>	<b>41</b>	<b>268</b>	<b>(85)</b>	<b>45</b>	<b>(706)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	57,608	58,252	63,037	64,135	70,721	64,135
Loans and advances to customers (net)	57,037	57,632	62,420	63,402	69,888	63,402
Total external assets	583,022	596,433	623,448	687,630	699,711	687,630
Customer accounts	151,799	145,714	138,605	138,833	143,456	138,833
Risk-weighted assets	91,018	91,217	94,448	102,616	103,219	102,616
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	57,037	56,250	61,196	61,774	71,847	63,402
Customer accounts	151,799	142,244	135,865	135,858	147,949	138,833

**HSBC**  
**Europe**

**Europe – Corporate Centre**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>711</b>	<b>1,025</b>	<b>533</b>	<b>949</b>	<b>579</b>	<b>2,878</b>
<i>of which: net interest income/(expense)</i>	<i>(160)</i>	<i>(316)</i>	<i>(343)</i>	<i>(358)</i>	<i>(376)</i>	<i>(1,462)</i>
Change in expected credit losses and other credit impairment charges	2	1	(5)	—	13	6
Total operating expenses	(1,020)	(1,097)	(960)	(1,819)	(775)	(4,073)
<i>of which: staff expenses</i>	<i>(533)</i>	<i>(662)</i>	<i>(690)</i>	<i>(702)</i>	<i>(613)</i>	<i>(2,332)</i>
Share of profit in associates and joint ventures	101	19	136	46	5	1
<b>Profit/(loss) before tax</b>	<b>(206)</b>	<b>(52)</b>	<b>(296)</b>	<b>(824)</b>	<b>(178)</b>	<b>(1,188)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	35	241	(179)	283	15	524
ECL	—	—	—	—	—	—
Operating expenses	(285)	(282)	(207)	(426)	(218)	(1,087)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>676</b>	<b>776</b>	<b>713</b>	<b>678</b>	<b>581</b>	<b>2,354</b>
<i>of which: net interest expense</i>	<i>(160)</i>	<i>(315)</i>	<i>(343)</i>	<i>(359)</i>	<i>(377)</i>	<i>(1,462)</i>
Change in expected credit losses and other credit impairment charges	2	2	(4)	1	13	6
Total operating expenses	(735)	(812)	(755)	(1,403)	(560)	(2,986)
Share of profit in associates and joint ventures	101	18	135	47	6	1
<b>Profit/(loss) before tax</b>	<b>44</b>	<b>(16)</b>	<b>89</b>	<b>(677)</b>	<b>40</b>	<b>(625)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	567	641	639	829	811	829
Loans and advances to customers (net)	557	631	628	816	799	816
Total external assets	59,849	55,933	57,283	54,951	53,704	54,951
Customer accounts	705	902	737	557	661	557
Risk-weighted assets	12,989	12,534	12,220	12,157	11,275	12,157
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	557	616	616	797	822	816
Customer accounts	705	880	723	542	677	557

## HSBC Europe

### SIGNIFICANT ITEMS

	Quarter ended				Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	18	1	(48)	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(64)	48	(236)	(10)	12	254
Restructuring and other related costs	(3)	108	(17)	111	(54)	9
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(7)	(27)	10	107	(3)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(3)	184	(803)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(17)	—	(17)
Restructuring and other related costs	(333)	(330)	(287)	(731)	(399)	(1,425)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(4)	(6)	(12)
<b>Share of profit in associates and joint ventures significant items (\$m)</b>						
Impairment of goodwill	—	—	—	—	—	—
<b>Europe – Wealth and Personal Banking</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(5)	2	(7)	(8)	—	(8)
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(5)	(25)	12	109	3	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(28)	(60)	(70)	54	(91)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Europe

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Commercial Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	20	—	(16)	(16)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	(1)	—	(1)
Restructuring and other related costs	—	1	(3)	(2)	—	(2)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(3)	—	(44)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(15)	—	(7)	(137)	55	(145)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	9	3	(8)	(29)	(3)	(6)
Restructuring and other related costs	(104)	(90)	(55)	(140)	(55)	(243)

## HSBC Europe

### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(6)	(573)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(31)	(25)	(20)	(124)	(109)	(280)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	(2)

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(73)	45	(228)	21	15	262
Restructuring and other related costs	108	196	49	262	—	262

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(2)	(3)	(3)	(4)	(5)	(9)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(1)	191	(142)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(17)	—	(17)
Restructuring and other related costs	(283)	(280)	(205)	(401)	(400)	(909)
Settlements and provisions in connection with legal and regulatory matters	—	1	1	(3)	(4)	(10)

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Europe – TOTAL

Revenue		(86)	(26)	149	256	
ECL		(4)	1	(24)	(9)	
Operating expenses		63	22	(123)	(190)	
Share of profit in associates and joint ventures		(1)	—	2	1	

**HSBC**  
**Europe**

Revenue significant items	(1)	—	4	(7)
Operating expense significant items	4	1	(12)	(10)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(9,550)	(8,101)	(8,927)	12,558
Customer accounts	(15,796)	(12,933)	(12,760)	19,688
<b>Europe – Wealth and Personal Banking</b>				
Revenue	(29)	(11)	58	90
ECL	—	1	(5)	(4)
Operating expenses	23	7	(42)	(68)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	2	(2)
Operating expense significant items	1	—	—	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(5,252)	(4,398)	(4,491)	6,748
Customer accounts	(7,324)	(6,151)	(5,608)	9,170
<b>Europe – Commercial Banking</b>				
Revenue	(21)	(5)	45	69
ECL	(3)	1	(17)	(5)
Operating expenses	12	4	(22)	(34)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(2)	—	2	(1)
Operating expense significant items	3	3	—	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2,902)	(2,466)	(2,788)	3,828
Customer accounts	(4,981)	(4,028)	(4,161)	6,009

## HSBC Europe

### Europe – Global Banking and Markets

Revenue	(27)	(12)	31	80
ECL	(1)	(1)	(1)	(1)
Operating expenses	23	11	(44)	(74)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	(7)	(3)
Operating expense significant items	(1)	(1)	(2)	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,382)	(1,224)	(1,628)	1,959
Customer accounts	(3,470)	(2,740)	(2,975)	4,493

### Europe – Corporate Centre

Revenue	(9)	—	17	17
ECL	1	1	1	—
Operating expenses	9	1	(17)	(15)
Share of profit in associates and joint ventures	(1)	(1)	1	1
Revenue significant items	(1)	(1)	5	—
Operating expense significant items	6	3	(7)	(12)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(15)	(12)	(19)	23
Customer accounts	(22)	(14)	(15)	16

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*





**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Wealth and Personal Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,163</b>	<b>1,159</b>	<b>1,100</b>	<b>1,062</b>	<b>987</b>	<b>4,199</b>
<i>of which: net interest income</i>	<i>947</i>	<i>982</i>	<i>903</i>	<i>875</i>	<i>833</i>	<i>3,463</i>
Change in expected credit losses and other credit impairment charges	227	112	107	(132)	(45)	(1,068)
Total operating expenses	(745)	(851)	(825)	(744)	(740)	(3,018)
<i>of which: staff expenses</i>	<i>(220)</i>	<i>(238)</i>	<i>(246)</i>	<i>(278)</i>	<i>(205)</i>	<i>(887)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>645</b>	<b>420</b>	<b>382</b>	<b>186</b>	<b>202</b>	<b>113</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	(1)	—	(31)	(5)
ECL	—	—	—	—	—	—
Operating expenses	(9)	(40)	(46)	15	—	(33)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,163</b>	<b>1,142</b>	<b>1,100</b>	<b>1,109</b>	<b>1,087</b>	<b>4,204</b>
<i>of which: net interest income</i>	<i>947</i>	<i>967</i>	<i>903</i>	<i>914</i>	<i>922</i>	<i>3,468</i>
Change in expected credit losses and other credit impairment charges	227	110	107	(138)	(48)	(1,068)
Total operating expenses	(736)	(799)	(780)	(795)	(789)	(2,985)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>654</b>	<b>453</b>	<b>427</b>	<b>176</b>	<b>250</b>	<b>151</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	175,909	177,693	173,809	171,377	159,399	171,377
Loans and advances to customers (net)	174,630	176,039	171,970	169,365	157,568	169,365
Total external assets	248,705	252,250	240,884	238,853	216,493	238,853
Customer accounts	236,049	238,324	230,650	218,723	197,377	218,723
Risk-weighted assets	33,177	34,100	33,829	34,218	32,624	34,218
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	174,630	171,765	168,082	167,281	164,585	169,365
Customer accounts	236,049	232,539	225,435	216,032	206,168	218,723

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>938</b>	<b>929</b>	<b>932</b>	<b>881</b>	<b>822</b>	<b>3,348</b>
<i>of which: net interest income</i>	<i>643</i>	<i>643</i>	<i>651</i>	<i>630</i>	<i>603</i>	<i>2,384</i>
Change in expected credit losses and other credit impairment charges	<b>336</b>	171	183	(366)	(115)	(1,611)
Total operating expenses	<b>(387)</b>	(412)	(400)	(422)	(390)	(1,569)
<i>of which: staff expenses</i>	<i>(115)</i>	<i>(125)</i>	<i>(114)</i>	<i>(157)</i>	<i>(117)</i>	<i>(496)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>887</b>	<b>688</b>	<b>715</b>	<b>93</b>	<b>317</b>	<b>168</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	18	(1)	(16)	(17)
ECL	—	—	—	—	—	—
Operating expenses	<b>(3)</b>	(3)	5	(34)	—	(35)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>938</b>	<b>915</b>	<b>914</b>	<b>921</b>	<b>895</b>	<b>3,365</b>
<i>of which: net interest income</i>	<i>643</i>	<i>633</i>	<i>631</i>	<i>658</i>	<i>660</i>	<i>2,400</i>
Change in expected credit losses and other credit impairment charges	<b>336</b>	169	183	(382)	(123)	(1,611)
Total operating expenses	<b>(384)</b>	(404)	(406)	(405)	(418)	(1,534)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>890</b>	<b>680</b>	<b>691</b>	<b>134</b>	<b>354</b>	<b>220</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>88,583</b>	90,826	92,219	93,517	89,228	93,517
Loans and advances to customers (net)	<b>87,007</b>	88,849	90,077	91,169	87,183	91,169
Total external assets	<b>175,130</b>	179,376	171,734	161,864	146,776	161,864
Customer accounts	<b>136,220</b>	139,324	134,629	135,108	122,270	135,108
Risk-weighted assets	<b>75,751</b>	79,698	78,712	79,688	81,081	79,688
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>87,007</b>	86,692	88,040	90,047	91,066	91,169
Customer accounts	<b>136,220</b>	135,942	131,585	133,446	127,715	135,108

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### HSBC UK – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>56</b>	<b>50</b>	<b>200</b>
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(10)	(10)	(13)	(29)	(26)	(110)
<i>of which: staff expenses</i>	(4)	(5)	(6)	(4)	(3)	(13)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>33</b>	<b>33</b>	<b>28</b>	<b>27</b>	<b>24</b>	<b>90</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>43</b>	<b>41</b>	<b>40</b>	<b>58</b>	<b>54</b>	<b>200</b>
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(10)	(10)	(13)	(30)	(27)	(110)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>33</b>	<b>31</b>	<b>27</b>	<b>28</b>	<b>27</b>	<b>90</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	36	35	64	79	50	79
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	848	970	864	819	409	819
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—



## HSBC

### HSBC UK

#### UK ring-fenced bank

##### SIGNIFICANT ITEMS

##### HSBC UK – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	18	—	(47)	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	(1)	(1)	—	(1)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(7)	(27)	10	107	(3)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	(17)	—	(17)
Restructuring and other related costs	(77)	(94)	(89)	(194)	(30)	(237)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

##### HSBC UK – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(5)	(25)	12	109	3	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(15)	(58)	(94)	(3)	(97)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC UK – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes

— — 20 — (16) (16)

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — — —

Restructuring and other related costs

— — (2) (1) — (1)

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — (1)

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(3) (3) 5 (34) — (34)

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC UK – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — — —

Restructuring and other related costs

— — — — — —

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

— — — — — —

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC UK – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — — —

Restructuring and other related costs

— — 1 — — —

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

(2) (3) (3) (4) (5) (9)

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — (17) — (17)

Restructuring and other related costs

(70) (74) (33) (65) (27) (106)

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC UK – TOTAL

Revenue

(31) (1) 88 125

ECL

(2) 2 (19) (11)

Operating expenses

18 (1) (58) (78)

Share of profit in associates and joint ventures

— — — —

Revenue significant items

— 1 1 (3)

Operating expense significant items

1 1 (6) (1)

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

(6,439) (5,934) (3,213) 10,925

Customer accounts

(9,180) (8,268) (4,357) 14,247



## HSBC

### HSBC UK

#### UK ring-fenced bank

##### HSBC UK – Wealth and Personal Banking

Revenue	(17)	(1)	47	67
ECL	(2)	—	(6)	(3)
Operating expenses	13	—	(33)	(50)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	(2)
Operating expense significant items	1	1	3	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(4,274)	(3,888)	(2,084)	7,017
Customer accounts	(5,785)	(5,215)	(2,691)	8,791

##### HSBC UK – Commercial Banking

Revenue	(14)	—	39	56
ECL	(2)	—	(16)	(8)
Operating expenses	6	—	(19)	(27)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	(1)
Operating expense significant items	1	1	(2)	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2,157)	(2,037)	(1,122)	3,883
Customer accounts	(3,382)	(3,044)	(1,662)	5,445

##### HSBC UK – Global Banking and Markets

Revenue	(2)	(1)	2	4
ECL	—	—	—	—
Operating expenses	—	—	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Corporate Centre**

Revenue		(1)	(1)	(1)	—
ECL		3	3	3	—
Operating expenses		—	(2)	(6)	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(2)	(2)	(6)	(2)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(8)	(8)	(7)	25
Customer accounts		(13)	(9)	(4)	11



# HSBC

## HSBC Bank

### Non ring-fenced bank

#### HSBC Bank – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>353</b>	<b>438</b>	<b>552</b>	<b>405</b>	<b>393</b>	<b>1,326</b>
<i>of which: net interest income</i>	<i>190</i>	<i>201</i>	<i>208</i>	<i>211</i>	<i>213</i>	<i>852</i>
Change in expected credit losses and other credit impairment charges	14	6	6	(5)	(8)	(49)
Total operating expenses	(309)	(332)	(373)	(423)	(276)	(1,497)
<i>of which: staff expenses</i>	<i>(122)</i>	<i>(138)</i>	<i>(145)</i>	<i>(142)</i>	<i>(118)</i>	<i>(501)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>58</b>	<b>112</b>	<b>185</b>	<b>(23)</b>	<b>109</b>	<b>(220)</b>
<b>Reported significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(4)	(6)	(1)	(8)	72	(50)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>353</b>	<b>430</b>	<b>542</b>	<b>406</b>	<b>402</b>	<b>1,326</b>
<i>of which: net interest income</i>	<i>190</i>	<i>196</i>	<i>204</i>	<i>211</i>	<i>218</i>	<i>852</i>
Change in expected credit losses and other credit impairment charges	14	6	6	(5)	(9)	(49)
Total operating expenses	(305)	(319)	(366)	(415)	(354)	(1,447)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>62</b>	<b>117</b>	<b>182</b>	<b>(14)</b>	<b>39</b>	<b>(170)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet - reported (\$m)</b>						
Loans and advances to customers (gross)	38,135	38,254	37,573	39,395	37,742	39,395
Loans and advances to customers (net)	37,890	37,987	37,297	39,099	37,456	39,099
Total external assets	94,833	95,856	93,534	97,989	94,102	97,989
Customer accounts	56,910	56,752	55,276	55,952	54,526	55,952
Risk-weighted assets	16,033	16,098	15,373	16,497	12,646	16,497
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	37,890	37,111	36,747	37,227	37,314	39,099
Customer accounts	56,910	55,430	54,349	53,875	55,109	55,952

**HSBC**  
**HSBC Bank**  
**Non ring-fenced bank**

**HSBC Bank – Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>370</b>	<b>380</b>	<b>390</b>	<b>356</b>	<b>367</b>	<b>1,451</b>
<i>of which: net interest income</i>	<i>204</i>	<i>220</i>	<i>221</i>	<i>222</i>	<i>223</i>	<i>880</i>
Change in expected credit losses and other credit impairment charges	17	(10)	10	(150)	(17)	(411)
Total operating expenses	(192)	(204)	(259)	(319)	(145)	(990)
<i>of which: staff expenses</i>	<i>(61)</i>	<i>(64)</i>	<i>(83)</i>	<i>(175)</i>	<i>(75)</i>	<i>(390)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>195</b>	<b>166</b>	<b>141</b>	<b>(113)</b>	<b>205</b>	<b>50</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	(2)	—	(2)
ECL	—	—	—	—	—	—
Operating expenses	(13)	12	(2)	(101)	57	(145)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>370</b>	<b>373</b>	<b>385</b>	<b>358</b>	<b>375</b>	<b>1,453</b>
<i>of which: net interest income</i>	<i>204</i>	<i>215</i>	<i>218</i>	<i>223</i>	<i>229</i>	<i>880</i>
Change in expected credit losses and other credit impairment charges	17	(11)	10	(151)	(15)	(411)
Total operating expenses	(179)	(214)	(254)	(220)	(205)	(845)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>208</b>	<b>148</b>	<b>141</b>	<b>(13)</b>	<b>155</b>	<b>197</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>33,087</b>	33,398	34,515	36,202	36,967	36,202
Loans and advances to customers (net)	<b>32,237</b>	32,507	33,608	35,238	36,167	35,238
Total external assets	<b>90,108</b>	93,809	93,310	72,833	74,487	72,833
Customer accounts	<b>69,452</b>	67,929	68,229	65,539	59,595	65,539
Risk-weighted assets	<b>31,857</b>	33,944	34,411	36,761	38,446	36,761
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>32,237</b>	31,762	33,179	33,572	36,112	35,238
Customer accounts	<b>69,452</b>	66,329	67,245	63,040	60,159	65,539

**HSBC**  
**HSBC Bank**  
**Non ring-fenced bank**

**HSBC Bank – Global Banking and Markets**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,103</b>	<b>1,217</b>	<b>1,588</b>	<b>1,104</b>	<b>1,272</b>	<b>4,842</b>
<i>of which: net interest income</i>	179	181	187	232	195	774
Change in expected credit losses and other credit impairment charges	62	53	35	(61)	22	(569)
Total operating expenses	(1,128)	(1,142)	(1,272)	(1,281)	(1,216)	(5,345)
<i>of which: staff expenses</i>	(337)	(393)	(381)	(495)	(417)	(1,547)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>37</b>	<b>128</b>	<b>351</b>	<b>(238)</b>	<b>78</b>	<b>(1,072)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(93)	(86)	(62)	(165)	(58)	(245)
ECL	—	—	—	—	—	—
Operating expenses	(34)	(22)	(24)	(133)	(108)	(857)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,196</b>	<b>1,284</b>	<b>1,642</b>	<b>1,299</b>	<b>1,397</b>	<b>5,087</b>
<i>of which: net interest income</i>	179	177	185	236	205	774
Change in expected credit losses and other credit impairment charges	62	53	35	(62)	21	(569)
Total operating expenses	(1,094)	(1,102)	(1,240)	(1,182)	(1,164)	(4,488)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>164</b>	<b>235</b>	<b>437</b>	<b>55</b>	<b>254</b>	<b>30</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	57,608	58,252	63,037	64,135	70,721	64,135
Loans and advances to customers (net)	57,037	57,632	62,420	63,402	69,928	63,402
Total external assets	584,157	597,599	624,583	688,738	700,817	688,738
Customer accounts	151,798	145,713	138,604	138,833	143,456	138,833
Risk-weighted assets	94,540	92,879	97,083	104,566	105,318	104,566
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	57,037	56,250	61,196	61,774	71,887	63,402
Customer accounts	151,798	142,243	135,865	135,857	147,949	138,833



## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### SIGNIFICANT ITEMS

##### HSBC Bank – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	9	1	(10)	(30)	(3)	(4)
Restructuring and other related costs	(103)	4	(54)	(16)	(55)	(120)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(3)	(16)	(803)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(134)	(111)	(77)	(424)	(238)	(876)
Settlements and provisions in connection with legal and regulatory matters	—	1	1	(3)	(4)	(12)

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### HSBC Bank – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(6)	(1)	(8)	73	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—



## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Commercial Banking

###### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — (1) — (1)

Restructuring and other related costs

— — — (1) — (1)

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — (3) — (44)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(13) 12 (2) (98) 57 (101)

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Global Banking and Markets

###### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

9 3 (8) (29) (3) (6)

Restructuring and other related costs

(102) (89) (54) (136) (55) (239)

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — (6) (573)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(34) (22) (24) (133) (102) (282)

Settlements and provisions in connection with legal and regulatory matters

— — — — — (2)

## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — 2 (1) 3

Restructuring and other related costs

(1) 92 — 119 — 119

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — (1) (9) (142)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(83) (97) (52) (187) (265) (489)

Settlements and provisions in connection with legal and regulatory matters

— 1 1 (3) (4) (10)

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC Bank – TOTAL

Revenue

(39) (27) 18 79

ECL

(1) 1 (2) 1

Operating expenses

32 20 (36) (72)

Share of profit in associates and joint ventures

— — 2 —

Revenue significant items

(1) 1 (6) (4)

Operating expense significant items

3 2 (1) (5)

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

(3,009) (2,207) (5,179) 1,760

Customer accounts

(6,399) (4,655) (7,564) 5,644

## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### HSBC Bank – Wealth and Personal Banking

Revenue	(8)	(10)	1	9
ECL	—	—	—	(1)
Operating expenses	7	6	1	(5)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(876)	(550)	(1,872)	(142)
Customer accounts	(1,322)	(927)	(2,077)	583

##### HSBC Bank – Commercial Banking

Revenue	(6)	(5)	1	8
ECL	(1)	—	(1)	2
Operating expenses	3	4	—	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	1	—
Operating expense significant items	1	1	2	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(745)	(429)	(1,666)	(55)
Customer accounts	(1,600)	(984)	(2,499)	564

##### HSBC Bank – Global Banking and Markets

Revenue	(20)	(9)	23	64
ECL	—	—	(1)	(1)
Operating expenses	19	9	(34)	(59)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	(7)	(3)
Operating expense significant items	1	1	—	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,382)	(1,224)	(1,628)	1,959
Customer accounts	(3,470)	(2,739)	(2,976)	4,493

**HSBC**  
**HSBC Bank**  
**Non ring-fenced bank**

**HSBC Bank – Corporate Centre**

Revenue		(5)	(2)	(5)	(2)
ECL		—	—	—	1
Operating expenses		2	1	(3)	(5)
Share of profit in associates and joint ventures		—	—	2	—
Revenue significant items		(2)	(1)	(1)	—
Operating expense significant items		4	2	(1)	(4)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(6)	(4)	(12)	(2)
Customer accounts		(7)	(5)	(11)	5



## HSBC Europe – Other

### HSBC Europe – Other – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>168</b>	<b>152</b>	<b>152</b>	<b>287</b>	<b>228</b>	<b>966</b>
<i>of which: net interest income/(expense)</i>	<i>(31)</i>	<i>(33)</i>	<i>(36)</i>	<i>(31)</i>	<i>(35)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	(2)	(3)	—	59	(61)	(49)
Total operating expenses	(299)	(262)	(286)	(428)	(341)	(1,489)
<i>of which: staff expenses</i>	<i>(131)</i>	<i>(137)</i>	<i>(165)</i>	<i>(177)</i>	<i>(159)</i>	<i>(604)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(133)</b>	<b>(113)</b>	<b>(134)</b>	<b>(82)</b>	<b>(174)</b>	<b>(572)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(5)	2	(7)	(8)	—	(8)
ECL	—	—	—	—	—	—
Operating expenses	5	(7)	(1)	32	(16)	11
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>173</b>	<b>146</b>	<b>159</b>	<b>303</b>	<b>242</b>	<b>974</b>
<i>of which: net interest income/(expense)</i>	<i>(31)</i>	<i>(31)</i>	<i>(34)</i>	<i>(32)</i>	<i>(35)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	(2)	(1)	1	60	(61)	(49)
Total operating expenses	(304)	(252)	(283)	(466)	(339)	(1,500)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(133)</b>	<b>(107)</b>	<b>(123)</b>	<b>(103)</b>	<b>(158)</b>	<b>(575)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	9,033	9,216	9,573	9,483	9,356	9,483
Loans and advances to customers (net)	8,950	9,133	9,493	9,406	9,220	9,406
Total external assets	23,050	22,613	23,378	24,543	24,127	24,543
Customer accounts	15,834	15,052	15,036	14,935	15,287	14,935
Risk-weighted assets	3,102	3,480	3,669	3,582	2,795	3,582
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	8,950	9,031	9,533	8,871	9,093	9,406
Customer accounts	15,834	14,835	15,027	14,095	15,083	14,935

## HSBC Europe – Other

### HSBC Europe – Other – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(100)</b>	<b>(109)</b>	<b>(112)</b>	<b>(36)</b>	<b>(55)</b>	<b>(225)</b>
<i>of which: net interest income/(expense)</i>	<i>(110)</i>	<i>(116)</i>	<i>(116)</i>	<i>(122)</i>	<i>(125)</i>	<i>(498)</i>
Change in expected credit losses and other credit impairment charges	—	—	(1)	100	(101)	(1)
Total operating expenses	<b>(74)</b>	(75)	(68)	(158)	(103)	(522)
<i>of which: staff expenses</i>	<i>(58)</i>	<i>(60)</i>	<i>(52)</i>	<i>(64)</i>	<i>(49)</i>	<i>(208)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(174)</b>	<b>(184)</b>	<b>(181)</b>	<b>(94)</b>	<b>(259)</b>	<b>(748)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	1	(1)	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	<b>1</b>	(9)	(10)	(5)	(2)	(10)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(100)</b>	<b>(108)</b>	<b>(111)</b>	<b>(32)</b>	<b>(50)</b>	<b>(225)</b>
<i>of which: net interest income/(expense)</i>	<i>(110)</i>	<i>(114)</i>	<i>(115)</i>	<i>(122)</i>	<i>(125)</i>	<i>(498)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	100	(100)	(1)
Total operating expenses	<b>(75)</b>	(64)	(59)	(156)	(105)	(512)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(175)</b>	<b>(172)</b>	<b>(170)</b>	<b>(88)</b>	<b>(255)</b>	<b>(738)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	—	—	(1)	—	—	—
Loans and advances to customers (net)	<b>1</b>	—	—	—	(100)	—
Total external assets	<b>(1,634)</b>	(1,676)	(1,674)	(1,655)	(1,665)	(1,655)
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	<b>(1,200)</b>	(1,198)	(1,181)	(1,197)	(863)	(1,197)
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>1</b>	—	—	—	(100)	—
Customer accounts	—	1	—	—	—	—

## HSBC Europe – Other

### HSBC Europe – Other – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(66)</b>	<b>(56)</b>	<b>(123)</b>	<b>(112)</b>	<b>(154)</b>	<b>(565)</b>
<i>of which: net interest income/(expense)</i>	<i>(143)</i>	<i>(149)</i>	<i>(148)</i>	<i>(138)</i>	<i>(139)</i>	<i>(564)</i>
Change in expected credit losses and other credit impairment charges	—	1	1	40	(40)	—
Total operating expenses	<b>(134)</b>	(174)	(72)	(90)	(47)	(263)
<i>of which: staff expenses</i>	<i>(85)</i>	<i>(79)</i>	<i>(91)</i>	<i>(100)</i>	<i>(91)</i>	<i>(345)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(200)</b>	<b>(229)</b>	<b>(194)</b>	<b>(162)</b>	<b>(241)</b>	<b>(828)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	(1)	(1)	(4)	—	(5)
ECL	—	—	—	—	—	—
Operating expenses	3	(3)	4	9	(7)	2
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(64)</b>	<b>(60)</b>	<b>(124)</b>	<b>(102)</b>	<b>(142)</b>	<b>(560)</b>
<i>of which: net interest income/(expense)</i>	<i>(143)</i>	<i>(148)</i>	<i>(147)</i>	<i>(137)</i>	<i>(140)</i>	<i>(564)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	40	(40)	—
Total operating expenses	<b>(137)</b>	(165)	(72)	(106)	(54)	(265)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(201)</b>	<b>(225)</b>	<b>(196)</b>	<b>(168)</b>	<b>(236)</b>	<b>(825)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	(40)	—
Total external assets	<b>(1,171)</b>	(1,201)	(1,199)	(1,187)	(1,156)	(1,187)
Customer accounts	1	1	1	—	—	—
Risk-weighted assets	<b>(4,370)</b>	(2,632)	(3,499)	(2,769)	(2,508)	(2,769)
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	(40)	—
Customer accounts	1	1	—	1	—	—



# HSBC

## Europe – Other

### HSBC Europe – Other – Corporate Centre

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>742</b>	910	554	867	631	2,945
<i>of which: net interest income/(expense)</i>	<i>(163)</i>	<i>(305)</i>	<i>(339)</i>	<i>(352)</i>	<i>(363)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	—	2	2	2	1	—
Total operating expenses	<b>(829)</b>	(891)	(855)	(1,456)	(479)	(3,199)
<i>of which: staff expenses</i>	<i>(396)</i>	<i>(500)</i>	<i>(573)</i>	<i>(552)</i>	<i>(510)</i>	<i>(1,887)</i>
Share of profit in associates and joint ventures	2	2	4	1	1	2
<b>Profit/(loss) before tax</b>	<b>(85)</b>	<b>23</b>	<b>(295)</b>	<b>(586)</b>	<b>154</b>	<b>(252)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	36	149	(180)	162	16	402
ECL	—	—	—	—	—	—
Operating expenses	(130)	(109)	(120)	(149)	92	(314)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>706</b>	<b>757</b>	<b>737</b>	<b>722</b>	<b>634</b>	<b>2,543</b>
<i>of which: net interest income/(expense)</i>	<i>(163)</i>	<i>(305)</i>	<i>(339)</i>	<i>(353)</i>	<i>(363)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(699)	(779)	(736)	(1,315)	(574)	(2,885)
Share of profit in associates and joint ventures	2	1	3	—	2	2
<b>Profit/(loss) before tax</b>	<b>9</b>	<b>(21)</b>	<b>4</b>	<b>(593)</b>	<b>62</b>	<b>(340)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	(1)	—	1	—	(1)	—
Loans and advances to customers (net)	—	1	—	—	—	—
Total external assets	<b>20,240</b>	16,962	22,120	18,873	17,730	18,873
Customer accounts	—	2	1	—	—	—
Risk-weighted assets	<b>(550)</b>	256	(796)	881	(484)	881
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	1	—	—	—

## HSBC Europe – Other

### SIGNIFICANT ITEMS

#### HSBC Europe – Other – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	1	(1)	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(73)	47	(226)	20	15	257
Restructuring and other related costs	100	104	38	128	1	130

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	200	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(122)	(125)	(121)	(113)	(131)	(312)
Settlements and provisions in connection with legal and regulatory matters	—	(1)	(1)	(1)	(2)	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(5)	2	(7)	(8)	—	(8)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	5	(7)	(1)	32	(16)	11
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Europe – Other

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	1	(9)	(10)	(5)	(2)	(10)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	(1)
Restructuring and other related costs	(2)	(1)	(1)	(4)	—	(4)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	3	(3)	4	9	(7)	2
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Europe – Other

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### HSBC Europe – Other – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(73)	45	(228)	19	16	259
Restructuring and other related costs	109	104	48	143	—	143

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	200	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(130)	(109)	(120)	(149)	(108)	(314)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### HSBC Europe – Other – TOTAL

Revenue	(16)	2	43	52		
ECL	(1)	(2)	(3)	1		
Operating expenses	13	3	(29)	(40)		
Share of profit in associates and joint ventures	(1)	—	—	1		
Revenue significant items	—	(2)	9	—		
Operating expense significant items	—	(2)	(5)	(4)		
Share of profit in associates and joint ventures significant items	—	—	—	—		
Loans and advances to customers (net)	(102)	40	(535)	(127)		
Customer accounts	(217)	(10)	(839)	(203)		

## HSBC Europe – Other

### HSBC Europe – Other – Wealth and Personal Banking

Revenue	(4)	—	10	14
ECL	2	1	1	—
Operating expenses	3	1	(10)	(13)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	2	—
Operating expense significant items	—	(1)	(4)	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(102)	40	(535)	(127)
Customer accounts	(217)	(9)	(840)	(204)

### HSBC Europe – Other – Commercial Banking

Revenue	(1)	—	5	5
ECL	—	1	—	1
Operating expenses	3	—	(3)	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(3)	—	1	—
Operating expense significant items	1	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	1	—	—	—

### HSBC Europe – Other – Global Banking and Markets

Revenue	(5)	(2)	6	12
ECL	(1)	(1)	—	—
Operating expenses	4	2	(9)	(14)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(2)	(2)	(2)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	(1)	1	—

**HSBC**  
**Europe – Other**

**HSBC Europe – Other – Corporate Centre**

Revenue	(3)	3	23	19
ECL	(2)	(2)	(2)	(1)
Operating expenses	7	2	(8)	(9)
Share of profit in associates and joint ventures	(1)	(1)	(1)	1
Revenue significant items	1	—	6	—
Operating expense significant items	4	3	—	(6)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1)	—	—	—
Customer accounts	(2)	—	—	—

**HSBC**  
**Asia**

**Asia – TOTAL**

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Reported (\$m)</b>							
Net interest income	3,140	3,110	3,157	3,237	3,262	14,318	
Net fee income	1,496	1,439	1,677	1,304	1,423	5,418	
Other operating income/(expense)	1,938	1,933	1,940	1,477	1,639	7,186	
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>6,574</b>	<b>6,482</b>	<b>6,774</b>	<b>6,018</b>	<b>6,324</b>	<b>26,922</b>	
Change in expected credit losses and other credit impairment charges	(105)	(175)	(32)	(322)	(144)	(2,284)	
Total operating expenses	(3,709)	(3,778)	(3,694)	(3,889)	(3,343)	(13,662)	
<i>of which: staff expenses</i>	<i>(1,644)</i>	<i>(1,826)</i>	<i>(1,960)</i>	<i>(1,810)</i>	<i>(1,688)</i>	<i>(6,873)</i>	
Share of profit in associates and joint ventures	543	649	710	469	350	1,856	
<b>Profit/(loss) before tax</b>	<b>3,303</b>	<b>3,178</b>	<b>3,758</b>	<b>2,276</b>	<b>3,187</b>	<b>12,832</b>	
<b>Reported Significant items – Totals (\$m)</b>							
Revenue	57	30	24	1	2	37	
ECL	—	—	—	—	—	—	
Operating expenses	(125)	(143)	(59)	(123)	(30)	(171)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Adjusted (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>6,517</b>	<b>6,418</b>	<b>6,698</b>	<b>6,009</b>	<b>6,374</b>	<b>26,885</b>	
<i>of which: net interest income</i>	<i>3,140</i>	<i>3,091</i>	<i>3,131</i>	<i>3,233</i>	<i>3,289</i>	<i>14,318</i>	
Change in expected credit losses and other credit impairment charges	(105)	(174)	(33)	(319)	(143)	(2,284)	
Total operating expenses	(3,584)	(3,615)	(3,607)	(3,764)	(3,350)	(13,491)	
Share of profit in associates and joint ventures	543	648	711	481	373	1,856	
<b>Profit/(loss) before tax</b>	<b>3,371</b>	<b>3,277</b>	<b>3,769</b>	<b>2,407</b>	<b>3,254</b>	<b>12,966</b>	
	Balance sheet date					Balance sheet date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Balance sheet – reported (\$m)</b>							
Loans and advances to customers (gross)	491,249	506,079	482,154	476,892	487,599	476,892	
Loans and advances to customers (net)	487,559	502,360	478,477	473,165	484,125	473,165	
Total external assets	1,220,052	1,215,439	1,183,554	1,185,607	1,156,196	1,185,607	
Customer accounts	771,463	759,948	756,498	762,406	732,367	762,406	
Risk-weighted assets <sup>1</sup>	392,896	407,117	387,188	384,228	385,103	384,228	
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>							
Loans and advances to customers (net)	487,559	499,777	476,298	468,034	485,769	473,165	
Customer accounts	771,463	756,308	753,437	754,813	733,150	762,406	

# HSBC

## Asia

### Asia – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,764</b>	<b>2,980</b>	<b>2,928</b>	<b>2,777</b>	<b>2,946</b>	<b>12,036</b>
<i>of which: net interest income</i>	<i>1,614</i>	<i>1,618</i>	<i>1,654</i>	<i>1,707</i>	<i>1,705</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(69)	(6)	(60)	(65)	(79)	(573)
Total operating expenses	(1,677)	(1,662)	(1,648)	(1,739)	(1,621)	(6,434)
<i>of which: staff expenses</i>	<i>(650)</i>	<i>(679)</i>	<i>(699)</i>	<i>(671)</i>	<i>(634)</i>	<i>(2,521)</i>
Share of profit in associates and joint ventures	2	—	7	3	9	1
<b>Profit/(loss) before tax</b>	<b>1,020</b>	<b>1,312</b>	<b>1,227</b>	<b>976</b>	<b>1,255</b>	<b>5,030</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	4	(2)	7	8	—	8
ECL	—	—	—	—	—	—
Operating expenses	(16)	(19)	(12)	(36)	(3)	(39)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,760</b>	<b>2,967</b>	<b>2,903</b>	<b>2,764</b>	<b>2,960</b>	<b>12,028</b>
<i>of which: net interest income</i>	<i>1,614</i>	<i>1,607</i>	<i>1,641</i>	<i>1,704</i>	<i>1,713</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(69)	(7)	(60)	(64)	(77)	(573)
Total operating expenses	(1,661)	(1,629)	(1,622)	(1,702)	(1,633)	(6,395)
Share of profit in associates and joint ventures	2	—	7	3	9	1
<b>Profit/(loss) before tax</b>	<b>1,032</b>	<b>1,331</b>	<b>1,228</b>	<b>1,001</b>	<b>1,259</b>	<b>5,061</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	196,771	205,547	192,707	189,685	196,103	189,685
Loans and advances to customers (net)	195,985	204,738	191,826	188,759	195,190	188,759
Total external assets	406,773	404,637	388,060	392,684	394,055	392,684
Customer accounts	428,522	425,545	426,195	429,911	416,402	429,911
Risk-weighted assets	84,006	90,669	79,774	77,750	86,076	77,750
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	195,985	203,387	190,532	186,286	195,646	188,759
Customer accounts	428,522	423,665	424,549	426,110	415,953	429,911



# HSBC

## Asia

### Asia – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,391</b>	<b>1,364</b>	<b>1,428</b>	<b>1,324</b>	<b>1,361</b>	<b>6,047</b>
<i>of which: net interest income</i>	<i>938</i>	<i>924</i>	<i>929</i>	<i>966</i>	<i>997</i>	<i>4,408</i>
Change in expected credit losses and other credit impairment charges	(53)	(160)	(20)	(303)	(33)	(1,565)
Total operating expenses	(671)	(701)	(647)	(706)	(620)	(2,538)
<i>of which: staff expenses</i>	<i>(235)</i>	<i>(255)</i>	<i>(242)</i>	<i>(242)</i>	<i>(233)</i>	<i>(927)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>667</b>	<b>503</b>	<b>761</b>	<b>315</b>	<b>708</b>	<b>1,944</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	(1)	1	1	—	1
ECL	—	—	—	—	—	—
Operating expenses	(6)	(12)	1	(7)	—	(7)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,391</b>	<b>1,356</b>	<b>1,416</b>	<b>1,321</b>	<b>1,373</b>	<b>6,046</b>
<i>of which: net interest income</i>	<i>938</i>	<i>920</i>	<i>923</i>	<i>966</i>	<i>1,007</i>	<i>4,408</i>
Change in expected credit losses and other credit impairment charges	(53)	(159)	(22)	(303)	(34)	(1,565)
Total operating expenses	(665)	(685)	(643)	(699)	(627)	(2,531)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>673</b>	<b>512</b>	<b>751</b>	<b>319</b>	<b>712</b>	<b>1,950</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	168,089	170,406	161,154	158,099	159,391	158,099
Loans and advances to customers (net)	165,488	167,805	158,672	155,652	157,196	155,652
Total external assets	253,286	247,119	237,138	240,566	238,299	240,566
Customer accounts	197,645	194,835	187,621	189,931	174,484	189,931
Risk-weighted assets	145,206	144,951	140,723	138,541	137,605	138,541
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	165,488	167,160	158,327	154,417	157,851	155,652
Customer accounts	197,645	194,018	187,123	188,460	174,920	189,931

# HSBC

## Asia

### Asia – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,883</b>	<b>1,756</b>	<b>2,010</b>	<b>1,663</b>	<b>1,703</b>	<b>7,491</b>
<i>of which: net interest income</i>	<i>679</i>	<i>654</i>	<i>668</i>	<i>686</i>	<i>683</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	17	(7)	51	48	(33)	(145)
Total operating expenses	(916)	(938)	(917)	(959)	(813)	(3,344)
<i>of which: staff expenses</i>	<i>(329)</i>	<i>(381)</i>	<i>(370)</i>	<i>(382)</i>	<i>(315)</i>	<i>(1,315)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>984</b>	<b>811</b>	<b>1,144</b>	<b>752</b>	<b>857</b>	<b>4,002</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	6	(1)	—	(24)	3	5
ECL	—	—	—	—	—	—
Operating expenses	(9)	(9)	(5)	(13)	(4)	(18)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,877</b>	<b>1,745</b>	<b>1,988</b>	<b>1,680</b>	<b>1,718</b>	<b>7,486</b>
<i>of which: net interest income</i>	<i>679</i>	<i>651</i>	<i>661</i>	<i>686</i>	<i>694</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	17	(7)	49	48	(33)	(145)
Total operating expenses	(907)	(924)	(902)	(941)	(816)	(3,326)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>987</b>	<b>814</b>	<b>1,135</b>	<b>787</b>	<b>869</b>	<b>4,015</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	126,195	129,610	127,820	128,668	131,684	128,668
Loans and advances to customers (net)	125,893	129,299	127,506	128,316	131,318	128,316
Total external assets	471,367	452,681	438,614	436,888	422,024	436,888
Customer accounts	145,293	139,563	142,622	142,506	141,425	142,506
Risk-weighted assets	116,274	118,973	112,338	112,316	112,652	112,316
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	125,893	128,715	126,967	126,895	131,853	128,316
Customer accounts	145,293	138,620	141,704	140,185	142,220	142,506

# HSBC

## Asia

### Asia – Corporate Centre

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Reported (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>537</b>	<b>384</b>	<b>408</b>	<b>254</b>	<b>314</b>		<b>1,348</b>
<i>of which: net interest expense</i>	<i>(92)</i>	<i>(86)</i>	<i>(94)</i>	<i>(122)</i>	<i>(123)</i>		<i>(749)</i>
Change in expected credit losses and other credit impairment charges	—	—	(2)	(2)	1		(1)
Total operating expenses	<b>(445)</b>	<b>(477)</b>	<b>(482)</b>	<b>(486)</b>	<b>(289)</b>		<b>(1,347)</b>
<i>of which: staff expenses</i>	<i>(429)</i>	<i>(512)</i>	<i>(649)</i>	<i>(515)</i>	<i>(507)</i>		<i>(2,111)</i>
Share of profit in associates and joint ventures	<b>541</b>	<b>648</b>	<b>703</b>	<b>467</b>	<b>341</b>		<b>1,856</b>
<b>Profit/(loss) before tax</b>	<b>633</b>	<b>555</b>	<b>627</b>	<b>233</b>	<b>367</b>		<b>1,856</b>
<b>Reported Significant items – Totals (\$m)</b>							
Revenue	<b>48</b>	36	17	15	(2)		21
ECL	—	—	—	—	—		—
Operating expenses	<b>(93)</b>	(102)	(42)	(65)	(25)		(107)
Share of profit in associates and joint ventures	—	—	—	—	—		—
<b>Adjusted (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>489</b>	<b>349</b>	<b>390</b>	<b>242</b>	<b>324</b>		<b>1,327</b>
<i>of which: net interest expense</i>	<i>(92)</i>	<i>(86)</i>	<i>(95)</i>	<i>(123)</i>	<i>(125)</i>		<i>(749)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	1		(1)
Total operating expenses	<b>(352)</b>	<b>(377)</b>	<b>(440)</b>	<b>(423)</b>	<b>(274)</b>		<b>(1,240)</b>
Share of profit in associates and joint ventures	<b>541</b>	<b>647</b>	<b>705</b>	<b>478</b>	<b>365</b>		<b>1,856</b>
<b>Profit/(loss) before tax</b>	<b>678</b>	<b>619</b>	<b>655</b>	<b>297</b>	<b>416</b>		<b>1,942</b>
	Balance sheet date					Balance sheet date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Balance sheet – reported (\$m)</b>							
Loans and advances to customers (gross)	<b>193</b>	517	473	439	421		439
Loans and advances to customers (net)	<b>193</b>	517	472	439	421		439
Total external assets	<b>88,625</b>	111,002	119,742	115,470	101,818		115,470
Customer accounts	<b>4</b>	5	60	58	56		58
Risk-weighted assets	<b>47,410</b>	52,524	54,353	55,621	48,770		55,621
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>							
Loans and advances to customers (net)	<b>193</b>	515	471	436	420		439
Customer accounts	<b>4</b>	4	60	58	57		58

# HSBC

## Asia

### SIGNIFICANT ITEMS

#### Asia – TOTAL

##### Revenue significant items (\$m)

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
Customer redress programmes	—	—	—	—	—	—	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	
Fair value movements on financial instruments	3	(3)	(2)	(31)	2	5	
Restructuring and other related costs	54	33	26	32	—	32	

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(125)	(143)	(59)	(123)	(30)	(171)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	—	—	—	—	—
Restructuring and other related costs	5	(2)	7	8	—	8

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(16)	(19)	(12)	(36)	(3)	(39)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Asia

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(12)	1	(7)	—	(7)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	4	(2)	(1)	(28)	3	1
Restructuring and other related costs	2	1	1	4	—	4

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(9)	(5)	(13)	(4)	(18)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Asia

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	(2)	(2)	4
Restructuring and other related costs	48	36	17	17	—	17

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(93)	(102)	(42)	(65)	(25)	(107)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Asia – TOTAL

Revenue	(34)	(53)	(9)	52
ECL	1	(1)	3	1
Operating expenses	21	29	2	(39)
Share of profit in associates and joint ventures	(1)	1	12	23
Revenue significant items	—	(1)	(1)	—
Operating expense significant items	1	1	—	(2)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2,583)	(2,179)	(5,131)	1,644
Customer accounts	(3,640)	(3,061)	(7,593)	783

## HSBC

### Asia

#### Asia – Wealth and Personal Banking

Revenue	(15)	(18)	(5)	14
ECL	(1)	—	1	2
Operating expenses	14	14	1	(15)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,351)	(1,294)	(2,473)	456
Customer accounts	(1,880)	(1,646)	(3,801)	(449)

#### Asia – Commercial Banking

Revenue	(9)	(11)	(2)	12
ECL	1	(2)	—	(1)
Operating expenses	4	5	—	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(645)	(345)	(1,235)	655
Customer accounts	(817)	(498)	(1,471)	436

#### Asia – Global Banking and Markets

Revenue	(13)	(23)	(7)	18
ECL	—	(2)	—	—
Operating expenses	6	11	6	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(584)	(539)	(1,421)	535
Customer accounts	(943)	(918)	(2,321)	795

## HSBC

### Asia

#### Asia – Corporate Centre

Revenue		1	(1)	4	8
ECL		—	2	2	—
Operating expenses		(4)	(1)	(4)	(10)
Share of profit in associates and joint ventures		(1)	2	11	24
Revenue significant items		—	—	1	—
Operating expense significant items		(2)	(1)	(2)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(2)	(1)	(3)	(1)
Customer accounts		(1)	—	—	1

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*





## HSBC Hong Kong

### Hong Kong – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,980</b>	<b>2,139</b>	<b>2,088</b>	<b>1,995</b>	<b>2,150</b>	<b>8,961</b>
<i>of which: net interest income</i>	<i>1,146</i>	<i>1,142</i>	<i>1,177</i>	<i>1,226</i>	<i>1,230</i>	<i>5,740</i>
Change in expected credit losses and other credit impairment charges	(34)	(6)	(60)	(20)	(53)	(276)
Total operating expenses	(966)	(917)	(939)	(979)	(957)	(3,748)
<i>of which: staff expenses</i>	<i>(373)</i>	<i>(378)</i>	<i>(419)</i>	<i>(405)</i>	<i>(375)</i>	<i>(1,517)</i>
Share of profit in associates and joint ventures	3	—	3	(2)	3	(10)
<b>Profit/(loss) before tax</b>	<b>983</b>	<b>1,216</b>	<b>1,092</b>	<b>994</b>	<b>1,143</b>	<b>4,927</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	(4)	5	6	—	6
ECL	—	—	—	—	—	—
Operating expenses	(9)	(6)	(11)	(27)	(2)	(29)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,979</b>	<b>2,140</b>	<b>2,077</b>	<b>1,982</b>	<b>2,142</b>	<b>8,955</b>
<i>of which: net interest income</i>	<i>1,146</i>	<i>1,140</i>	<i>1,174</i>	<i>1,222</i>	<i>1,226</i>	<i>5,740</i>
Change in expected credit losses and other credit impairment charges	(34)	(6)	(60)	(20)	(53)	(276)
Total operating expenses	(957)	(911)	(926)	(950)	(951)	(3,719)
Share of profit in associates and joint ventures	3	1	4	(1)	3	(10)
<b>Profit/(loss) before tax</b>	<b>991</b>	<b>1,224</b>	<b>1,095</b>	<b>1,011</b>	<b>1,141</b>	<b>4,950</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	132,655	141,471	129,239	125,613	135,323	125,613
Loans and advances to customers (net)	132,311	141,106	128,837	125,223	134,925	125,223
Total external assets	305,294	306,813	290,508	295,511	301,800	295,511
Customer accounts	347,576	345,451	346,289	347,855	338,414	347,855
Risk-weighted assets	58,992	65,897	56,775	54,979	63,938	54,979
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	132,311	140,707	128,610	124,675	134,276	125,223
Customer accounts	347,576	344,473	345,678	346,331	336,785	347,855

## HSBC Hong Kong

### Hong Kong – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>763</b>	<b>729</b>	<b>803</b>	<b>747</b>	<b>798</b>	<b>3,635</b>
<i>of which: net interest income</i>	<i>492</i>	<i>481</i>	<i>506</i>	<i>541</i>	<i>576</i>	<i>2,645</i>
Change in expected credit losses and other credit impairment charges	(36)	2	(51)	(217)	(14)	(489)
Total operating expenses	(357)	(360)	(349)	(358)	(342)	(1,359)
<i>of which: staff expenses</i>	<i>(121)</i>	<i>(124)</i>	<i>(128)</i>	<i>(129)</i>	<i>(128)</i>	<i>(508)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>370</b>	<b>371</b>	<b>403</b>	<b>172</b>	<b>442</b>	<b>1,787</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	(1)	1	1	—	1
ECL	—	—	—	—	—	—
Operating expenses	(6)	(9)	(2)	(4)	—	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>763</b>	<b>728</b>	<b>799</b>	<b>743</b>	<b>795</b>	<b>3,634</b>
<i>of which: net interest income</i>	<i>492</i>	<i>480</i>	<i>504</i>	<i>539</i>	<i>574</i>	<i>2,645</i>
Change in expected credit losses and other credit impairment charges	(36)	2	(51)	(217)	(14)	(489)
Total operating expenses	(351)	(350)	(346)	(353)	(340)	(1,355)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>376</b>	<b>380</b>	<b>402</b>	<b>173</b>	<b>441</b>	<b>1,790</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	103,423	105,992	100,573	100,376	104,706	100,376
Loans and advances to customers (net)	102,402	104,983	99,562	99,400	103,943	99,400
Total external assets	147,018	146,129	139,844	147,163	150,252	147,163
Customer accounts	131,946	131,859	127,290	131,404	121,440	131,404
Risk-weighted assets	73,270	74,265	71,760	72,043	75,446	72,043
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	102,402	104,686	99,387	98,965	103,442	99,400
Customer accounts	131,946	131,486	127,065	130,829	120,855	131,404

## HSBC Hong Kong

### Hong Kong – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>862</b>	<b>756</b>	<b>918</b>	<b>691</b>	<b>742</b>	<b>3,382</b>
<i>of which: net interest income</i>	<i>242</i>	<i>234</i>	<i>228</i>	<i>237</i>	<i>259</i>	<i>1,203</i>
Change in expected credit losses and other credit impairment charges	<b>33</b>	(3)	26	19	(22)	(58)
Total operating expenses	<b>(471)</b>	(462)	(468)	(477)	(398)	(1,650)
<i>of which: staff expenses</i>	<i>(163)</i>	<i>(182)</i>	<i>(183)</i>	<i>(193)</i>	<i>(154)</i>	<i>(656)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>424</b>	<b>291</b>	<b>476</b>	<b>233</b>	<b>322</b>	<b>1,674</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>4</b>	(2)	—	(13)	—	3
ECL	—	—	—	—	—	—
Operating expenses	<b>(7)</b>	(4)	(2)	(11)	(3)	(15)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>858</b>	<b>757</b>	<b>915</b>	<b>701</b>	<b>739</b>	<b>3,379</b>
<i>of which: net interest income</i>	<i>242</i>	<i>232</i>	<i>226</i>	<i>236</i>	<i>258</i>	<i>1,203</i>
Change in expected credit losses and other credit impairment charges	<b>33</b>	(3)	26	19	(22)	(58)
Total operating expenses	<b>(464)</b>	(457)	(464)	(464)	(394)	(1,635)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>427</b>	<b>297</b>	<b>477</b>	<b>256</b>	<b>323</b>	<b>1,686</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>78,449</b>	82,536	78,567	77,650	80,278	77,650
Loans and advances to customers (net)	<b>78,294</b>	82,346	78,376	77,433	80,047	77,433
Total external assets	<b>260,125</b>	252,487	239,282	240,126	230,783	240,126
Customer accounts	<b>57,528</b>	51,862	53,182	52,211	57,709	52,211
Risk-weighted assets	<b>55,858</b>	56,976	54,256	53,901	55,249	53,901
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>78,294</b>	82,113	78,238	77,094	79,661	77,433
Customer accounts	<b>57,528</b>	51,715	53,089	51,982	57,431	52,211

**HSBC**  
**Hong Kong**

**Hong Kong – Corporate Centre**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>116</b>	<b>44</b>	<b>183</b>	<b>46</b>	<b>100</b>	<b>366</b>
<i>of which: net interest expense</i>	<i>(72)</i>	<i>(62)</i>	<i>(82)</i>	<i>(95)</i>	<i>(104)</i>	<i>(582)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(123)</b>	<b>(179)</b>	<b>(271)</b>	<b>(228)</b>	<b>(113)</b>	<b>(555)</b>
<i>of which: staff expenses</i>	<i>53</i>	<i>(20)</i>	<i>(154)</i>	<i>(34)</i>	<i>(80)</i>	<i>(354)</i>
Share of profit in associates and joint ventures	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>8</b>
<b>Profit/(loss) before tax</b>	<b>(5)</b>	<b>(133)</b>	<b>(86)</b>	<b>(180)</b>	<b>(11)</b>	<b>(181)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(22)</b>	<b>(9)</b>	<b>(15)</b>	<b>(24)</b>	<b>—</b>	<b>(24)</b>
ECL	—	—	—	—	—	—
Operating expenses	<b>(23)</b>	<b>(41)</b>	<b>(9)</b>	<b>(27)</b>	<b>(15)</b>	<b>(51)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>138</b>	<b>54</b>	<b>200</b>	<b>72</b>	<b>100</b>	<b>390</b>
<i>of which: net interest expense</i>	<i>(72)</i>	<i>(63)</i>	<i>(83)</i>	<i>(95)</i>	<i>(103)</i>	<i>(582)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(100)</b>	<b>(136)</b>	<b>(262)</b>	<b>(201)</b>	<b>(99)</b>	<b>(504)</b>
Share of profit in associates and joint ventures	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>8</b>
<b>Profit/(loss) before tax</b>	<b>40</b>	<b>(80)</b>	<b>(60)</b>	<b>(127)</b>	<b>3</b>	<b>(106)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	<b>155</b>	<b>477</b>	<b>432</b>	<b>398</b>	<b>382</b>	<b>398</b>
Loans and advances to customers (net)	<b>155</b>	<b>477</b>	<b>432</b>	<b>398</b>	<b>382</b>	<b>398</b>
Total external assets	<b>55,191</b>	<b>65,845</b>	<b>75,765</b>	<b>69,754</b>	<b>60,693</b>	<b>69,754</b>
Customer accounts	—	—	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
Risk-weighted assets	<b>9,992</b>	<b>12,575</b>	<b>13,011</b>	<b>14,175</b>	<b>10,153</b>	<b>14,175</b>
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>155</b>	<b>476</b>	<b>432</b>	<b>396</b>	<b>380</b>	<b>398</b>
Customer accounts	—	—	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>

## HSBC Hong Kong

### SIGNIFICANT ITEMS

#### Hong Kong – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	2	(2)	—	(16)	—	—
Restructuring and other related costs	(20)	(14)	(9)	(15)	—	(15)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(44)	(61)	(25)	(69)	(21)	(100)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Hong Kong – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	—	—	—	—	—
Restructuring and other related costs	2	(4)	5	6	—	6

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(6)	(11)	(27)	(2)	(29)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Hong Kong

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Commercial Banking

#### Reported revenue significant items (\$m)

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

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(9)	(2)	(4)	—	(4)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	4	(2)	—	(16)	—	—
Restructuring and other related costs	—	—	—	3	—	3

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(7)	(4)	(2)	(11)	(3)	(15)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Hong Kong

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(22)	(9)	(15)	(24)	—	(24)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(23)	(41)	(9)	(27)	(15)	(51)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Hong Kong – TOTAL

Revenue		(6)	(10)	(11)	(13)	
ECL		—	1	1	—	
Operating expenses		3	5	6	6	
Share of profit in associates and joint ventures		—	—	1	—	
Revenue significant items		—	—	1	—	
Operating expense significant items		(1)	1	1	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(932)	(542)	(1,324)	(1,538)	
Customer accounts		(1,498)	(930)	(2,327)	(2,492)	



## HSBC Hong Kong

### Hong Kong – Wealth and Personal Banking

Revenue	(3)	(6)	(7)	(8)
ECL	—	—	—	—
Operating expenses	1	3	3	4
Share of profit in associates and joint ventures	1	1	1	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(399)	(227)	(548)	(649)
Customer accounts	(978)	(611)	(1,524)	(1,629)

### Hong Kong – Commercial Banking

Revenue	(2)	(3)	(3)	(3)
ECL	—	—	—	—
Operating expenses	1	1	1	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(297)	(175)	(435)	(501)
Customer accounts	(373)	(225)	(575)	(585)

### Hong Kong – Global Banking and Markets

Revenue	(1)	(3)	(2)	(3)
ECL	—	—	—	—
Operating expenses	1	2	2	1
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	1	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(233)	(138)	(339)	(386)
Customer accounts	(147)	(93)	(229)	(278)

## HSBC Hong Kong

### Hong Kong – Corporate Centre

Revenue		1	2	2	—
ECL		—	—	—	—
Operating expenses		—	(1)	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(2)	(1)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(1)	—	(2)	(2)
Customer accounts		—	—	—	—

**HSBC**  
**Mainland China**

**Mainland China – TOTAL**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
Net interest income	426	414	401	395	366	1,556
Net fee income	104	108	125	77	88	337
Other operating income	430	389	354	299	287	1,195
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>960</b>	<b>911</b>	<b>880</b>	<b>771</b>	<b>741</b>	<b>3,088</b>
Change in expected credit losses and other credit impairment charges	(38)	(19)	17	4	(11)	(114)
Total operating expenses	(712)	(680)	(626)	(641)	(554)	(2,211)
<i>of which: staff expenses</i>	<i>(411)</i>	<i>(394)</i>	<i>(386)</i>	<i>(361)</i>	<i>(322)</i>	<i>(1,287)</i>
Share of profit in associates and joint ventures	539	646	702	466	339	1,849
<b>Profit/(loss) before tax</b>	<b>749</b>	<b>858</b>	<b>973</b>	<b>600</b>	<b>515</b>	<b>2,612</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	3	11	10	4	1	5
ECL	—	—	—	—	—	—
Operating expenses	(10)	(7)	(4)	(17)	(1)	(19)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>957</b>	<b>896</b>	<b>874</b>	<b>787</b>	<b>792</b>	<b>3,083</b>
<i>of which: net interest income</i>	<i>426</i>	<i>415</i>	<i>402</i>	<i>405</i>	<i>391</i>	<i>1,556</i>
Change in expected credit losses and other credit impairment charges	(38)	(19)	17	4	(12)	(114)
Total operating expenses	(702)	(672)	(623)	(640)	(592)	(2,192)
Share of profit in associates and joint ventures	539	646	703	477	363	1,849
<b>Profit/(loss) before tax</b>	<b>756</b>	<b>851</b>	<b>971</b>	<b>628</b>	<b>551</b>	<b>2,626</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	52,349	51,403	48,973	46,405	43,815	46,405
Loans and advances to customers (net)	52,066	51,123	48,694	46,113	43,535	46,113
Total external assets	135,509	133,742	130,355	130,134	119,696	130,134
Customer accounts	54,458	57,227	54,919	56,826	47,327	56,826
Risk-weighted assets	82,954	83,477	81,693	80,674	76,061	80,674
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	52,066	51,153	49,401	46,673	45,926	46,113
Customer accounts	54,458	57,261	55,717	57,517	49,926	56,826

## HSBC Mainland China

### Mainland China – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>199</b>	<b>219</b>	<b>216</b>	<b>197</b>	<b>209</b>	<b>765</b>
<i>of which: net interest income</i>	<i>101</i>	<i>101</i>	<i>100</i>	<i>105</i>	<i>103</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(6)	(4)	(2)	(11)	7	(52)
Total operating expenses	(219)	(227)	(205)	(223)	(187)	(747)
<i>of which: staff expenses</i>	<i>(98)</i>	<i>(104)</i>	<i>(95)</i>	<i>(85)</i>	<i>(83)</i>	<i>(310)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(26)</b>	<b>(12)</b>	<b>9</b>	<b>(37)</b>	<b>29</b>	<b>(34)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	—	(1)	—	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>199</b>	<b>220</b>	<b>217</b>	<b>203</b>	<b>223</b>	<b>765</b>
<i>of which: net interest income</i>	<i>101</i>	<i>100</i>	<i>100</i>	<i>107</i>	<i>111</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(6)	(4)	(2)	(11)	8	(52)
Total operating expenses	(218)	(227)	(207)	(228)	(200)	(746)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(25)</b>	<b>(11)</b>	<b>8</b>	<b>(36)</b>	<b>31</b>	<b>(33)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	11,384	11,091	10,829	10,835	10,413	10,835
Loans and advances to customers (net)	11,308	11,015	10,749	10,747	10,329	10,747
Total external assets	19,793	18,199	17,908	17,517	16,602	17,517
Customer accounts	13,234	12,942	12,740	12,994	12,148	12,994
Risk-weighted assets	5,865	5,669	5,542	5,459	5,178	5,459
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	11,308	11,021	10,905	10,878	10,896	10,747
Customer accounts	13,234	12,949	12,925	13,152	12,815	12,994

## HSBC Mainland China

### Mainland China – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>204</b>	<b>197</b>	<b>192</b>	<b>171</b>	<b>172</b>	<b>758</b>
<i>of which: net interest income</i>	<i>161</i>	<i>151</i>	<i>143</i>	<i>143</i>	<i>142</i>	<i>597</i>
Change in expected credit losses and other credit impairment charges	(26)	(20)	19	(8)	(16)	(59)
Total operating expenses	(117)	(119)	(99)	(118)	(96)	(404)
<i>of which: staff expenses</i>	<i>(45)</i>	<i>(44)</i>	<i>(42)</i>	<i>(40)</i>	<i>(37)</i>	<i>(148)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>61</b>	<b>58</b>	<b>112</b>	<b>45</b>	<b>60</b>	<b>295</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	3	(3)	—	(3)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>204</b>	<b>196</b>	<b>193</b>	<b>175</b>	<b>184</b>	<b>758</b>
<i>of which: net interest income</i>	<i>161</i>	<i>151</i>	<i>143</i>	<i>147</i>	<i>152</i>	<i>597</i>
Change in expected credit losses and other credit impairment charges	(26)	(20)	19	(8)	(17)	(59)
Total operating expenses	(117)	(119)	(102)	(118)	(102)	(401)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>61</b>	<b>57</b>	<b>110</b>	<b>49</b>	<b>65</b>	<b>298</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>23,997</b>	23,942	21,922	19,988	17,946	19,988
Loans and advances to customers (net)	<b>23,821</b>	23,763	21,755	19,815	17,800	19,815
Total external assets	<b>35,821</b>	33,388	31,650	30,058	26,881	30,058
Customer accounts	<b>18,536</b>	18,443	16,674	16,875	14,753	16,875
Risk-weighted assets	<b>25,738</b>	25,379	24,429	23,158	20,829	23,158
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>23,821</b>	23,777	22,071	20,055	18,777	19,815
Customer accounts	<b>18,536</b>	18,454	16,916	17,080	15,563	16,875

## HSBC Mainland China

### Mainland China – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>274</b>	<b>266</b>	<b>273</b>	<b>245</b>	<b>223</b>	<b>918</b>
<i>of which: net interest income</i>	<i>167</i>	<i>164</i>	<i>160</i>	<i>159</i>	<i>142</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	(6)	4	(1)	22	(2)	(3)
Total operating expenses	(122)	(123)	(116)	(114)	(100)	(409)
<i>of which: staff expenses</i>	<i>(47)</i>	<i>(49)</i>	<i>(47)</i>	<i>(48)</i>	<i>(34)</i>	<i>(150)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>146</b>	<b>147</b>	<b>156</b>	<b>153</b>	<b>121</b>	<b>506</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	—	1	1	—	1	1
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>274</b>	<b>265</b>	<b>272</b>	<b>251</b>	<b>237</b>	<b>917</b>
<i>of which: net interest income</i>	<i>167</i>	<i>165</i>	<i>161</i>	<i>164</i>	<i>151</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	(6)	5	—	23	(2)	(3)
Total operating expenses	(122)	(122)	(116)	(116)	(107)	(409)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>146</b>	<b>148</b>	<b>156</b>	<b>158</b>	<b>128</b>	<b>505</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>16,941</b>	16,343	16,195	15,556	15,431	15,556
Loans and advances to customers (net)	<b>16,910</b>	16,319	16,164	15,525	15,382	15,525
Total external assets	<b>51,092</b>	46,459	46,484	46,022	43,218	46,022
Customer accounts	<b>22,688</b>	25,842	25,468	26,923	20,393	26,923
Risk-weighted assets	<b>17,272</b>	17,633	16,790	17,154	16,530	17,154
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>16,910</b>	16,328	16,399	15,714	16,226	15,525
Customer accounts	<b>22,688</b>	25,857	25,838	27,250	21,513	26,923

## HSBC Mainland China

### Mainland China – Corporate Centre

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>282</b>	226	200	158	137	647
<i>of which: net interest expense</i>	<i>(3)</i>	<i>(2)</i>	<i>(2)</i>	<i>(12)</i>	<i>(21)</i>	<i>(57)</i>
Change in expected credit losses and other credit impairment charges	(1)	1	1	1	—	—
Total operating expenses	(254)	(210)	(205)	(185)	(172)	(651)
<i>of which: staff expenses</i>	<i>(222)</i>	<i>(197)</i>	<i>(204)</i>	<i>(188)</i>	<i>(167)</i>	<i>(678)</i>
Share of profit in associates and joint ventures	539	648	702	466	339	1,849
<b>Profit/(loss) before tax</b>	<b>566</b>	<b>665</b>	<b>698</b>	<b>440</b>	<b>304</b>	<b>1,845</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	3	12	10	4	—	4
ECL	—	—	—	—	—	—
Operating expenses	(9)	(8)	(8)	(14)	(1)	(16)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>279</b>	<b>215</b>	<b>191</b>	<b>158</b>	<b>147</b>	<b>643</b>
<i>of which: net interest expense</i>	<i>(3)</i>	<i>(1)</i>	<i>(1)</i>	<i>(11)</i>	<i>(23)</i>	<i>(57)</i>
Change in expected credit losses and other credit impairment charges	(1)	—	—	—	—	—
Total operating expenses	(245)	(204)	(199)	(178)	(183)	(635)
Share of profit in associates and joint ventures	539	646	703	477	363	1,849
<b>Profit/(loss) before tax</b>	<b>572</b>	<b>657</b>	<b>695</b>	<b>457</b>	<b>327</b>	<b>1,857</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	26	26	26	26	25	26
Loans and advances to customers (net)	26	26	26	26	25	26
Total external assets	28,802	35,696	34,314	36,537	32,994	36,537
Customer accounts	—	—	37	34	33	34
Risk-weighted assets	34,079	34,796	34,932	34,903	33,524	34,903
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	26	26	26	26	26	26
Customer accounts	—	—	37	34	35	34

## HSBC Mainland China

### SIGNIFICANT ITEMS

#### Mainland China – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
Customer redress programmes	—	—	—	—	—	—	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	
Fair value movements on financial instruments	—	—	—	—	1	1	
Restructuring and other related costs	3	11	10	4	—	4	

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(10)	(7)	(4)	(17)	(1)	(19)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

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



## HSBC

### Mainland China

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	3	(3)	—	(3)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### Mainland China – Global Banking and Markets

##### Reported revenue significant items (\$m)

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	—	—	—	—	—	—

##### Reported cost significant items (\$m)

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

## HSBC

### Mainland China

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### Mainland China – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	3	12	10	4	—	4

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(8)	(8)	(14)	(1)	(16)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Mainland China – TOTAL

Revenue		(3)	3	20	52	
ECL		—	—	—	(1)	
Operating expenses		1	(1)	(16)	(39)	
Share of profit in associates and joint ventures		—	1	11	24	
Revenue significant items		1	(1)	—	—	
Operating expense significant items		—	—	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		30	707	560	2,391	
Customer accounts		34	798	691	2,599	

## HSBC Mainland China

### Mainland China – Wealth and Personal Banking

Revenue	1	1	6	14
ECL	—	—	—	1
Operating expenses	—	(2)	(6)	(13)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	6	156	131	567
Customer accounts	7	185	158	667

### Mainland China – Commercial Banking

Revenue	(1)	1	4	12
ECL	—	—	—	(1)
Operating expenses	—	—	(3)	(6)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	14	316	240	977
Customer accounts	11	242	205	810

### Mainland China – Global Banking and Markets

Revenue	(1)	(1)	5	15
ECL	1	1	1	—
Operating expenses	1	—	(2)	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	(1)	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	9	235	189	844
Customer accounts	15	370	327	1,120

## HSBC Mainland China

### Mainland China – Corporate Centre

Revenue	1	1	5	10
ECL	(1)	(1)	(1)	—
Operating expenses	(1)	(1)	(6)	(12)
Share of profit in associates and joint ventures	(2)	1	11	24
Revenue significant items	—	—	1	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	1
Customer accounts	—	—	—	2

**HSBC**  
**Middle East and North Africa**

**Middle East and North Africa – TOTAL**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
Net interest income	321	320	330	336	352	1,465
Net fee income	187	185	187	179	169	695
Other operating income	119	115	115	111	102	468
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>627</b>	<b>620</b>	<b>632</b>	<b>626</b>	<b>623</b>	<b>2,628</b>
Change in expected credit losses and other credit impairment charges	44	61	55	(37)	(110)	(758)
Total operating expenses	(358)	(397)	(388)	(394)	(429)	(1,586)
<i>of which: staff expenses</i>	<i>(156)</i>	<i>(189)</i>	<i>(198)</i>	<i>(184)</i>	<i>(192)</i>	<i>(749)</i>
Share of profit/(loss) in associates and joint ventures	65	102	38	150	(384)	(265)
<b>Profit/(loss) before tax</b>	<b>378</b>	<b>386</b>	<b>337</b>	<b>345</b>	<b>(300)</b>	<b>19</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	(1)	—	—
ECL	—	—	—	—	—	—
Operating expenses	(15)	(11)	(11)	(18)	(24)	(83)
Share of profit in associates and joint ventures	—	—	—	—	(462)	(462)
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>627</b>	<b>619</b>	<b>622</b>	<b>621</b>	<b>614</b>	<b>2,628</b>
<i>of which: net interest income</i>	<i>321</i>	<i>319</i>	<i>323</i>	<i>332</i>	<i>346</i>	<i>1,465</i>
Change in expected credit losses and other credit impairment charges	44	60	54	(37)	(110)	(758)
Total operating expenses	(343)	(386)	(371)	(372)	(396)	(1,503)
Share of profit/(loss) in associates and joint ventures	65	102	38	150	78	197
<b>Profit/(loss) before tax</b>	<b>393</b>	<b>395</b>	<b>343</b>	<b>362</b>	<b>186</b>	<b>564</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	28,547	29,211	29,927	30,540	31,126	30,540
Loans and advances to customers (net)	27,095	27,608	28,176	28,700	29,307	28,700
Total external assets	64,478	63,515	65,210	64,733	63,472	64,733
Customer accounts	42,089	41,086	41,916	41,221	40,815	41,221
Risk-weighted assets <sup>1</sup>	60,319	59,476	59,830	60,181	59,361	60,181
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	27,095	27,555	27,978	28,186	28,900	28,700
Customer accounts	42,089	40,990	41,611	40,592	40,340	41,221

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## Middle East and North Africa

### Middle East and North Africa – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>211</b>	<b>197</b>	<b>206</b>	<b>204</b>	<b>202</b>	<b>874</b>
<i>of which: net interest income</i>	<i>127</i>	<i>125</i>	<i>129</i>	<i>133</i>	<i>131</i>	<i>575</i>
Change in expected credit losses and other credit impairment charges	31	1	7	(5)	6	(151)
Total operating expenses	(156)	(169)	(163)	(163)	(196)	(738)
<i>of which: staff expenses</i>	<i>(52)</i>	<i>(57)</i>	<i>(58)</i>	<i>(56)</i>	<i>(59)</i>	<i>(232)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>86</b>	<b>29</b>	<b>50</b>	<b>36</b>	<b>12</b>	<b>(15)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(1)	(2)	13	(17)	(45)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>211</b>	<b>198</b>	<b>204</b>	<b>203</b>	<b>199</b>	<b>874</b>
<i>of which: net interest income</i>	<i>127</i>	<i>123</i>	<i>126</i>	<i>130</i>	<i>131</i>	<i>575</i>
Change in expected credit losses and other credit impairment charges	31	1	7	(5)	5	(151)
Total operating expenses	(156)	(168)	(158)	(174)	(174)	(693)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>86</b>	<b>31</b>	<b>53</b>	<b>24</b>	<b>30</b>	<b>30</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	5,439	5,315	5,480	5,534	5,688	5,534
Loans and advances to customers (net)	5,227	5,051	5,196	5,215	5,346	5,215
Total external assets	16,504	15,995	15,980	16,179	15,823	16,179
Customer accounts	21,143	21,325	21,142	20,293	19,990	20,293
Risk-weighted assets	7,893	7,648	7,454	7,666	7,641	7,666
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	5,227	5,045	5,173	5,155	5,304	5,215
Customer accounts	21,143	21,262	20,927	19,841	19,680	20,293

# HSBC

## Middle East and North Africa

### Middle East and North Africa – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>158</b>	<b>153</b>	<b>145</b>	<b>134</b>	<b>141</b>	<b>603</b>
<i>of which: net interest income</i>	<i>99</i>	<i>95</i>	<i>89</i>	<i>85</i>	<i>93</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	(16)	(2)	18	(30)	(68)	(388)
Total operating expenses	(74)	(84)	(83)	(83)	(92)	(335)
<i>of which: staff expenses</i>	<i>(26)</i>	<i>(34)</i>	<i>(31)</i>	<i>(31)</i>	<i>(31)</i>	<i>(123)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>68</b>	<b>67</b>	<b>80</b>	<b>21</b>	<b>(19)</b>	<b>(120)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(2)	—	—	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>158</b>	<b>154</b>	<b>143</b>	<b>133</b>	<b>139</b>	<b>603</b>
<i>of which: net interest income</i>	<i>99</i>	<i>93</i>	<i>86</i>	<i>83</i>	<i>91</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	(16)	(4)	16	(31)	(68)	(388)
Total operating expenses	(72)	(84)	(82)	(83)	(88)	(334)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>70</b>	<b>66</b>	<b>77</b>	<b>19</b>	<b>(17)</b>	<b>(119)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	11,342	11,765	11,805	12,015	12,377	12,015
Loans and advances to customers (net)	10,197	10,538	10,575	10,747	11,157	10,747
Total external assets	17,205	17,516	17,677	17,158	17,529	17,158
Customer accounts	8,772	8,748	8,970	8,784	8,505	8,784
Risk-weighted assets	15,498	15,736	15,547	15,328	15,893	15,328
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	10,197	10,501	10,453	10,443	10,919	10,747
Customer accounts	8,772	8,730	8,930	8,725	8,438	8,784

Middle East and North Africa – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>252</b>	<b>262</b>	<b>270</b>	<b>278</b>	<b>274</b>	<b>1,131</b>
<i>of which: net interest income</i>	<i>107</i>	<i>112</i>	<i>105</i>	<i>114</i>	<i>118</i>	<i>494</i>
Change in expected credit losses and other credit impairment charges	29	61	30	(3)	(47)	(219)
Total operating expenses	(99)	(112)	(112)	(117)	(115)	(434)
<i>of which: staff expenses</i>	<i>(30)</i>	<i>(37)</i>	<i>(38)</i>	<i>(39)</i>	<i>(33)</i>	<i>(135)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>182</b>	<b>211</b>	<b>188</b>	<b>158</b>	<b>112</b>	<b>478</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	(1)	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(2)	(2)	(1)	—	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>252</b>	<b>262</b>	<b>266</b>	<b>276</b>	<b>270</b>	<b>1,131</b>
<i>of which: net interest income</i>	<i>107</i>	<i>112</i>	<i>103</i>	<i>112</i>	<i>117</i>	<i>494</i>
Change in expected credit losses and other credit impairment charges	29	62	30	(2)	(47)	(219)
Total operating expenses	(99)	(111)	(109)	(116)	(113)	(433)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>182</b>	<b>213</b>	<b>187</b>	<b>158</b>	<b>110</b>	<b>479</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	11,765	12,131	12,642	12,991	13,061	12,991
Loans and advances to customers (net)	11,671	12,019	12,406	12,738	12,804	12,738
Total external assets	24,366	23,773	25,251	24,852	24,054	24,852
Customer accounts	12,173	11,011	11,805	12,143	12,318	12,143
Risk-weighted assets	15,469	15,163	15,669	16,445	15,929	16,445
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	11,671	12,008	12,353	12,588	12,677	12,738
Customer accounts	12,173	10,997	11,753	12,026	12,221	12,143



# HSBC

## Middle East and North Africa

### Middle East and North Africa – Corporate Centre

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>19</b>
<i>of which: net interest income/(expense)</i>	<i>(11)</i>	<i>(10)</i>	<i>8</i>	<i>6</i>	<i>9</i>	<i>7</i>
Change in expected credit losses and other credit impairment charges	—	—	1	—	—	—
Total operating expenses	<b>(30)</b>	<b>(30)</b>	<b>(29)</b>	<b>(30)</b>	<b>(26)</b>	<b>(78)</b>
<i>of which: staff expenses</i>	<i>(48)</i>	<i>(62)</i>	<i>(72)</i>	<i>(58)</i>	<i>(69)</i>	<i>(259)</i>
Share of profit/(loss) in associates and joint ventures	<b>66</b>	<b>102</b>	<b>38</b>	<b>150</b>	<b>(384)</b>	<b>(265)</b>
<b>Profit/(loss) before tax</b>	<b>42</b>	<b>77</b>	<b>19</b>	<b>129</b>	<b>(404)</b>	<b>(324)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	<b>(13)</b>	<b>(8)</b>	<b>(9)</b>	<b>(31)</b>	<b>(5)</b>	<b>(36)</b>
Share of profit in associates and joint ventures	—	—	—	—	<b>(462)</b>	<b>(462)</b>
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>10</b>	<b>6</b>	<b>19</b>
<i>of which: net interest income/(expense)</i>	<i>(11)</i>	<i>(9)</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>
Change in expected credit losses and other credit impairment charges	—	—	1	—	—	—
Total operating expenses	<b>(17)</b>	<b>(22)</b>	<b>(21)</b>	<b>1</b>	<b>(21)</b>	<b>(42)</b>
Share of profit/(loss) in associates and joint ventures	<b>66</b>	<b>102</b>	<b>38</b>	<b>150</b>	<b>78</b>	<b>197</b>
<b>Profit/(loss) before tax</b>	<b>55</b>	<b>85</b>	<b>27</b>	<b>161</b>	<b>63</b>	<b>174</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>6,403</b>	<b>6,231</b>	<b>6,303</b>	<b>6,544</b>	<b>6,065</b>	<b>6,544</b>
Customer accounts	—	2	—	—	—	—
Risk-weighted assets	<b>21,459</b>	<b>20,929</b>	<b>21,160</b>	<b>20,742</b>	<b>19,898</b>	<b>20,742</b>
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	2	—	—	—	—

## HSBC

### Middle East and North Africa

#### SIGNIFICANT ITEMS

##### Middle East and North Africa – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	(1)	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(4)	(19)	(64)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(15)	(11)	(11)	(14)	(5)	(19)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	(462)	(462)
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##### Middle East and North Africa – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	16	(17)	(42)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	(1)	(2)	(3)	—	(3)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Middle East and North Africa

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Middle East and North Africa – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	1	(1)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(2)	—	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### Middle East and North Africa – Global Banking and Markets

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	(2)	(2)	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Middle East and North Africa

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### Middle East and North Africa – Corporate Centre

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(21)	(1)	(22)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(13)	(8)	(9)	(10)	(4)	(14)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	(462)	(462)
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Middle East and North Africa – TOTAL

Revenue		(1)	(10)	(5)	(9)	
ECL		(1)	(1)	—	—	
Operating expenses		1	6	4	11	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	1	—	
Operating expense significant items		1	—	—	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(53)	(198)	(514)	(407)	
Customer accounts		(96)	(305)	(629)	(475)	

## HSBC

### Middle East and North Africa

#### Middle East and North Africa – Wealth and Personal Banking

Revenue	1	(2)	(1)	(3)
ECL	—	—	—	(1)
Operating expenses	—	3	1	7
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	(1)	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(6)	(23)	(60)	(42)
Customer accounts	(63)	(215)	(452)	(310)

#### Middle East and North Africa – Commercial Banking

Revenue	1	(2)	(1)	(2)
ECL	(2)	(2)	(1)	—
Operating expenses	(1)	1	—	3
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(37)	(122)	(304)	(238)
Customer accounts	(18)	(40)	(59)	(67)

#### Middle East and North Africa – Global Banking and Markets

Revenue	—	(4)	(3)	(4)
ECL	1	—	1	—
Operating expenses	—	2	1	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(11)	(53)	(150)	(127)
Customer accounts	(14)	(52)	(117)	(97)

## HSBC

### Middle East and North Africa

#### Middle East and North Africa – Corporate Centre

Revenue		—	—	1	—
ECL		—	—	—	—
Operating expenses		—	—	1	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	1	1	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*



**HSBC**  
**North America**

**North America – Wealth and Personal Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>463</b>	<b>483</b>	<b>495</b>	<b>482</b>	<b>486</b>	<b>1,929</b>
<i>of which: net interest income</i>	<i>325</i>	<i>330</i>	<i>327</i>	<i>328</i>	<i>304</i>	<i>1,276</i>
Change in expected credit losses and other credit impairment charges	45	(6)	(1)	(13)	(21)	(240)
Total operating expenses	(440)	(519)	(449)	(476)	(684)	(2,139)
<i>of which: staff expenses</i>	<i>(153)</i>	<i>(170)</i>	<i>(168)</i>	<i>(158)</i>	<i>(173)</i>	<i>(686)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>68</b>	<b>(42)</b>	<b>45</b>	<b>(7)</b>	<b>(219)</b>	<b>(450)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(1)	(1)	(1)	(1)	(1)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(5)	(73)	(5)	(3)	(216)	(231)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>464</b>	<b>479</b>	<b>498</b>	<b>489</b>	<b>495</b>	<b>1,938</b>
<i>of which: net interest income</i>	<i>325</i>	<i>327</i>	<i>328</i>	<i>331</i>	<i>309</i>	<i>1,276</i>
Change in expected credit losses and other credit impairment charges	45	(6)	(2)	(14)	(21)	(240)
Total operating expenses	(435)	(442)	(444)	(477)	(476)	(1,908)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>74</b>	<b>31</b>	<b>52</b>	<b>(2)</b>	<b>(2)</b>	<b>(210)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	50,568	50,420	51,328	50,266	48,573	50,266
Loans and advances to customers (net)	50,363	50,074	50,916	49,837	48,144	49,837
Total external assets	110,716	105,818	104,099	97,726	93,647	97,726
Customer accounts	72,599	70,486	81,025	81,278	78,399	81,278
Risk-weighted assets	21,990	22,412	21,989	22,175	21,677	22,175
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	50,363	49,389	50,620	49,893	49,394	49,837
Customer accounts	72,599	69,724	80,676	81,347	79,961	81,278



## HSBC North America

### North America – Commercial Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>487</b>	<b>473</b>	<b>446</b>	<b>446</b>	<b>443</b>	<b>1,803</b>
<i>of which: net interest income</i>	<i>319</i>	<i>304</i>	<i>285</i>	<i>298</i>	<i>291</i>	<i>1,223</i>
Change in expected credit losses and other credit impairment charges	(23)	38	45	(7)	22	(496)
Total operating expenses	(225)	(241)	(238)	(238)	(238)	(941)
<i>of which: staff expenses</i>	<i>(87)</i>	<i>(101)</i>	<i>(98)</i>	<i>(101)</i>	<i>(96)</i>	<i>(385)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>239</b>	<b>270</b>	<b>253</b>	<b>201</b>	<b>227</b>	<b>366</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(6)	(6)	—	(5)	(4)	(11)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>487</b>	<b>467</b>	<b>447</b>	<b>452</b>	<b>453</b>	<b>1,803</b>
<i>of which: net interest income</i>	<i>319</i>	<i>301</i>	<i>286</i>	<i>301</i>	<i>296</i>	<i>1,223</i>
Change in expected credit losses and other credit impairment charges	(23)	37	46	(6)	22	(496)
Total operating expenses	(219)	(234)	(241)	(236)	(238)	(930)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>245</b>	<b>270</b>	<b>252</b>	<b>210</b>	<b>237</b>	<b>377</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>43,578</b>	44,615	44,665	44,324	46,534	44,324
Loans and advances to customers (net)	<b>43,182</b>	44,197	44,208	43,842	45,988	43,842
Total external assets	<b>79,585</b>	77,260	77,268	69,976	71,025	69,976
Customer accounts	<b>67,329</b>	66,303	63,545	62,854	58,387	62,854
Risk-weighted assets	<b>50,207</b>	49,459	49,690	49,049	51,229	49,049
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>43,182</b>	43,638	43,965	43,887	47,048	43,842
Customer accounts	<b>67,329</b>	65,781	63,317	62,898	59,375	62,854

## HSBC North America

### North America – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>472</b>	<b>461</b>	<b>563</b>	<b>497</b>	<b>498</b>	<b>2,432</b>
<i>of which: net interest income</i>	<i>77</i>	<i>91</i>	<i>96</i>	<i>92</i>	<i>91</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	<b>23</b>	76	60	(7)	13	(165)
Total operating expenses	<b>(337)</b>	(368)	(374)	(383)	(415)	(1,555)
<i>of which: staff expenses</i>	<i>(107)</i>	<i>(142)</i>	<i>(144)</i>	<i>(141)</i>	<i>(129)</i>	<i>(562)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>158</b>	<b>169</b>	<b>249</b>	<b>107</b>	<b>96</b>	<b>712</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(3)</b>	(7)	(6)	(12)	(48)	(67)
ECL	—	—	—	—	—	—
Operating expenses	<b>(6)</b>	(5)	—	11	(11)	(26)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>475</b>	<b>465</b>	<b>569</b>	<b>511</b>	<b>549</b>	<b>2,499</b>
<i>of which: net interest income</i>	<i>77</i>	<i>90</i>	<i>97</i>	<i>94</i>	<i>92</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	<b>23</b>	76	60	(7)	14	(165)
Total operating expenses	<b>(331)</b>	(359)	(372)	(393)	(405)	(1,529)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>167</b>	<b>182</b>	<b>257</b>	<b>111</b>	<b>158</b>	<b>805</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>12,942</b>	12,209	13,764	14,466	16,445	14,466
Loans and advances to customers (net)	<b>12,877</b>	12,143	13,627	14,290	16,262	14,290
Total external assets	<b>169,097</b>	166,707	175,864	175,159	213,637	175,159
Customer accounts	<b>39,177</b>	39,367	38,011	37,901	40,692	37,901
Risk-weighted assets	<b>37,494</b>	39,576	39,661	42,444	45,239	42,444
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>12,877</b>	12,078	13,597	14,297	16,426	14,290
Customer accounts	<b>39,177</b>	39,241	37,955	37,915	41,085	37,901



## HSBC North America

### SIGNIFICANT ITEMS

#### North America – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	(2)	—	(10)
Fair value movements on financial instruments	(4)	—	—	1	(2)	2
Restructuring and other related costs	(17)	(3)	—	13	(47)	(35)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(1)	(222)	(223)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(62)	(153)	(38)	(83)	(111)	(378)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(1)	(1)	(1)	(1)	(9)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(207)	(207)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(5)	(73)	(5)	(3)	(9)	(24)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### North America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	(1)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(6)	—	(5)	(3)	(10)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(3)	—	(1)	1	(2)	2
Restructuring and other related costs	—	(7)	(5)	(13)	(46)	(69)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(4)	(4)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(5)	—	11	(7)	(22)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### North America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(17)	3	4	25	—	34

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(10)	(10)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(45)	(67)	(33)	(85)	(93)	(322)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items - Totals (\$m)

##### North America – TOTAL

Revenue		(12)	2	14	21	
ECL		(1)	—	—	—	
Operating expenses		8	(2)	(9)	(15)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	2	—	
Operating expense significant items		1	—	(1)	(1)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(1,309)	(569)	108	2,474	
Customer accounts		(1,411)	(633)	127	2,943	

## HSBC

### North America

#### North America – Wealth and Personal Banking

Revenue	(4)	3	7	8
ECL	—	(1)	(1)	—
Operating expenses	3	(1)	(5)	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	1	1	—
Operating expense significant items	(1)	(1)	(1)	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(685)	(296)	56	1,250
Customer accounts	(762)	(349)	69	1,562

#### North America – Commercial Banking

Revenue	(6)	1	6	10
ECL	(1)	1	1	—
Operating expenses	2	(2)	(3)	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(559)	(243)	45	1,060
Customer accounts	(522)	(228)	44	988

#### North America – Global Banking and Markets

Revenue	(1)	1	3	3
ECL	—	—	—	1
Operating expenses	1	(1)	(2)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	1	1	—
Operating expense significant items	(3)	(3)	(3)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(65)	(30)	7	164
Customer accounts	(126)	(56)	14	393

**HSBC**  
**North America**

**North America – Corporate Centre**

Revenue		(1)	(2)	(2)	—
ECL		—	1	1	—
Operating expenses		1	1	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		2	2	1	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*



**US – TOTAL**

	Quarter ended					Year to date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Reported (\$m)</b>							
Net interest income	448	464	461	472	453	1,922	
Net fee income	353	329	343	292	300	1,218	
Other operating income	133	191	260	273	308	1,450	
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>934</b>	<b>984</b>	<b>1,064</b>	<b>1,037</b>	<b>1,061</b>	<b>4,590</b>	
Change in expected credit losses and other credit impairment charges	41	83	91	(22)	15	(622)	
Total operating expenses	(838)	(973)	(876)	(996)	(1,241)	(4,194)	
<i>of which: staff expenses</i>	<i>(361)</i>	<i>(449)</i>	<i>(451)</i>	<i>(441)</i>	<i>(448)</i>	<i>(1,847)</i>	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Profit/(loss) before tax</b>	<b>137</b>	<b>94</b>	<b>279</b>	<b>19</b>	<b>(165)</b>	<b>(226)</b>	
<b>Reported Significant items – Totals (\$m)</b>							
Revenue	(22)	(2)	(2)	14	(49)	(41)	
ECL	—	—	—	—	—	—	
Operating expenses	(45)	(121)	(32)	(57)	(322)	(556)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Adjusted (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>956</b>	<b>988</b>	<b>1,064</b>	<b>1,020</b>	<b>1,110</b>	<b>4,631</b>	
<i>of which: net interest income</i>	<i>448</i>	<i>464</i>	<i>461</i>	<i>472</i>	<i>453</i>	<i>1,922</i>	
Change in expected credit losses and other credit impairment charges	41	84	91	(22)	15	(622)	
Total operating expenses	(793)	(851)	(844)	(940)	(919)	(3,638)	
Share of profit in associates and joint ventures	—	—	—	—	—	—	
<b>Profit/(loss) before tax</b>	<b>204</b>	<b>221</b>	<b>311</b>	<b>58</b>	<b>206</b>	<b>371</b>	
	Balance sheet date					Balance sheet date	
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	
<b>Balance sheet – reported (\$m)</b>							
Loans and advances to customers (gross)	51,913	52,387	57,641	58,703	62,888	58,703	
Loans and advances to customers (net)	51,656	51,985	57,090	58,082	62,242	58,082	
Total external assets	267,431	260,185	268,289	254,085	288,538	254,085	
Customer accounts	114,064	110,579	119,416	117,485	114,695	117,485	
Risk-weighted assets	80,303	81,866	82,790	84,939	90,171	84,939	
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>							
Loans and advances to customers (net)	51,656	51,985	57,090	58,082	62,242	58,082	
Customer accounts	114,064	110,579	119,416	117,485	114,695	117,485	

**HSBC**  
**US**

**HSBC US – Wealth and Personal Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>262</b>	<b>278</b>	<b>298</b>	<b>295</b>	<b>309</b>	<b>1,210</b>
<i>of which: net interest income</i>	<i>198</i>	<i>199</i>	<i>202</i>	<i>203</i>	<i>195</i>	<i>817</i>
Change in expected credit losses and other credit impairment charges	34	—	2	(2)	(11)	(189)
Total operating expenses	(289)	(367)	(298)	(322)	(542)	(1,568)
<i>of which: staff expenses</i>	<i>(99)</i>	<i>(112)</i>	<i>(109)</i>	<i>(105)</i>	<i>(123)</i>	<i>(480)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>7</b>	<b>(89)</b>	<b>2</b>	<b>(29)</b>	<b>(244)</b>	<b>(547)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(1)	—	—	—	(1)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(2)	(70)	(4)	(1)	(215)	(228)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>263</b>	<b>280</b>	<b>300</b>	<b>297</b>	<b>310</b>	<b>1,219</b>
<i>of which: net interest income</i>	<i>198</i>	<i>200</i>	<i>203</i>	<i>204</i>	<i>195</i>	<i>817</i>
Change in expected credit losses and other credit impairment charges	34	—	2	(2)	(11)	(189)
Total operating expenses	(287)	(297)	(294)	(321)	(327)	(1,340)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>10</b>	<b>(17)</b>	<b>8</b>	<b>(26)</b>	<b>(28)</b>	<b>(310)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	21,253	21,565	24,068	24,056	23,812	24,056
Loans and advances to customers (net)	21,209	21,395	23,831	23,802	23,550	23,802
Total external assets	67,723	63,640	62,768	58,725	56,260	58,725
Customer accounts	38,786	37,160	47,757	48,241	46,706	48,241
Risk-weighted assets	15,770	16,097	15,717	16,134	16,001	16,134
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	21,209	21,395	23,831	23,802	23,550	23,802
Customer accounts	38,786	37,160	47,757	48,241	46,706	48,241

**HSBC**  
**US**

**HSBC US – Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>262</b>	<b>253</b>	<b>244</b>	<b>255</b>	<b>260</b>	<b>1,022</b>
<i>of which: net interest income</i>	<i>191</i>	<i>183</i>	<i>179</i>	<i>198</i>	<i>195</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	(24)	11	37	(10)	21	(293)
Total operating expenses	(134)	(152)	(150)	(146)	(152)	(590)
<i>of which: staff expenses</i>	<i>(55)</i>	<i>(66)</i>	<i>(65)</i>	<i>(64)</i>	<i>(65)</i>	<i>(252)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>104</b>	<b>112</b>	<b>131</b>	<b>99</b>	<b>129</b>	<b>139</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(5)	(1)	(1)	(4)	(7)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>262</b>	<b>253</b>	<b>244</b>	<b>255</b>	<b>260</b>	<b>1,022</b>
<i>of which: net interest income</i>	<i>191</i>	<i>182</i>	<i>178</i>	<i>197</i>	<i>195</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	(24)	12	38	(9)	21	(293)
Total operating expenses	(132)	(148)	(151)	(146)	(148)	(583)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>106</b>	<b>117</b>	<b>131</b>	<b>100</b>	<b>133</b>	<b>146</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>20,645</b>	21,471	22,684	23,435	25,897	23,435
Loans and advances to customers (net)	<b>20,473</b>	21,290	22,491	23,222	25,670	23,222
Total external assets	<b>45,465</b>	43,057	43,654	36,147	37,905	36,147
Customer accounts	<b>43,845</b>	41,716	40,299	39,577	36,999	39,577
Risk-weighted assets	<b>29,111</b>	27,937	28,953	28,770	30,879	28,770
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>20,473</b>	21,290	22,491	23,222	25,670	23,222
Customer accounts	<b>43,845</b>	41,716	40,299	39,577	36,999	39,577

**HSBC**  
**US**

**HSBC US – Global Banking and Markets**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>398</b>	<b>384</b>	<b>486</b>	<b>430</b>	<b>433</b>	<b>2,149</b>
<i>of which: net interest income</i>	<i>67</i>	<i>79</i>	<i>87</i>	<i>84</i>	<i>87</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	<b>32</b>	73	52	(10)	6	(139)
Total operating expenses	<b>(307)</b>	(337)	(342)	(351)	(398)	(1,437)
<i>of which: staff expenses</i>	<i>(98)</i>	<i>(131)</i>	<i>(133)</i>	<i>(129)</i>	<i>(120)</i>	<i>(516)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>123</b>	<b>120</b>	<b>196</b>	<b>69</b>	<b>41</b>	<b>573</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(4)	(7)	(6)	(9)	(48)	(65)
ECL	—	—	—	—	—	—
Operating expenses	(6)	(7)	(2)	11	(11)	(20)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>402</b>	<b>393</b>	<b>492</b>	<b>439</b>	<b>481</b>	<b>2,214</b>
<i>of which: net interest income</i>	<i>67</i>	<i>79</i>	<i>87</i>	<i>84</i>	<i>87</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	<b>32</b>	72	51	(11)	6	(139)
Total operating expenses	<b>(301)</b>	(330)	(339)	(361)	(386)	(1,417)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>133</b>	<b>135</b>	<b>204</b>	<b>67</b>	<b>101</b>	<b>658</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	<b>10,014</b>	9,351	10,889	11,212	13,179	11,212
Loans and advances to customers (net)	<b>9,974</b>	9,301	10,767	11,057	13,021	11,057
Total external assets	<b>149,575</b>	148,763	157,376	154,456	189,909	154,456
Customer accounts	<b>31,438</b>	31,708	31,366	29,672	30,990	29,672
Risk-weighted assets	<b>32,125</b>	34,275	33,713	36,140	38,867	36,140
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>9,974</b>	9,301	10,767	11,057	13,021	11,057
Customer accounts	<b>31,438</b>	31,708	31,366	29,672	30,990	29,672

**HSBC  
US**

**HSBC US – Corporate Centre**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>12</b>	<b>66</b>	<b>33</b>	<b>55</b>	<b>58</b>	<b>206</b>
<i>of which: net interest expense</i>	<i>(8)</i>	<i>2</i>	<i>(9)</i>	<i>(16)</i>	<i>(22)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(107)</b>	<b>(113)</b>	<b>(85)</b>	<b>(176)</b>	<b>(149)</b>	<b>(598)</b>
<i>of which: staff expenses</i>	<i>(109)</i>	<i>(139)</i>	<i>(143)</i>	<i>(141)</i>	<i>(141)</i>	<i>(598)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(95)</b>	<b>(47)</b>	<b>(52)</b>	<b>(121)</b>	<b>(91)</b>	<b>(392)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(17)</b>	<b>1</b>	<b>1</b>	<b>23</b>	<b>—</b>	<b>33</b>
ECL	—	—	—	—	—	—
Operating expenses	<b>(34)</b>	<b>(37)</b>	<b>(24)</b>	<b>(65)</b>	<b>(91)</b>	<b>(299)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>29</b>	<b>62</b>	<b>29</b>	<b>29</b>	<b>58</b>	<b>173</b>
<i>of which: net interest expense</i>	<i>(8)</i>	<i>4</i>	<i>(7)</i>	<i>(14)</i>	<i>(22)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(73)</b>	<b>(76)</b>	<b>(60)</b>	<b>(111)</b>	<b>(58)</b>	<b>(299)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(44)</b>	<b>(14)</b>	<b>(31)</b>	<b>(82)</b>	<b>—</b>	<b>(126)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>4,669</b>	<b>4,725</b>	<b>4,492</b>	<b>4,757</b>	<b>4,463</b>	<b>4,757</b>
Customer accounts	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>—</b>	<b>(5)</b>
Risk-weighted assets	<b>3,297</b>	<b>3,557</b>	<b>4,407</b>	<b>3,895</b>	<b>4,424</b>	<b>3,895</b>
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>—</b>	<b>(5)</b>

## HSBC

### US

#### SIGNIFICANT ITEMS

##### HSBC US – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	(1)	(1)	(10)
Fair value movements on financial instruments	(4)	1	(1)	1	(2)	2
Restructuring and other related costs	(18)	(3)	(1)	14	(46)	(33)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	(1)	(222)	(223)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(45)	(121)	(32)	(56)	(100)	(333)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### HSBC US – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	(1)	(9)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(207)	(207)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(70)	(4)	(1)	(8)	(21)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### US

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC US – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	(1)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(5)	(1)	(1)	(3)	(6)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### HSBC US – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(4)	—	(1)	2	(2)	2
Restructuring and other related costs	—	(7)	(5)	(11)	(46)	(67)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(4)	(4)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(6)	(7)	(2)	11	(7)	(16)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### US

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### HSBC US – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(1)	(1)	(1)	—	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(17)	2	2	24	—	34

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(10)	(10)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(34)	(37)	(24)	(65)	(81)	(289)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC US – TOTAL

Revenue		1	(1)	(1)	—	
ECL		1	—	—	—	
Operating expenses		2	(1)	(1)	—	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		(1)	1	2	—	
Operating expense significant items		1	(1)	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		—	—	—	—	
Customer accounts		—	—	—	—	



## HSBC US

### HSBC US – Wealth and Personal Banking

Revenue	2	2	2	—
ECL	—	—	—	—
Operating expenses	(1)	(1)	(1)	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(1)	(1)	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

### HSBC US – Commercial Banking

Revenue	—	—	—	—
ECL	1	1	1	—
Operating expenses	(1)	(1)	(1)	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

### HSBC US – Global Banking and Markets

Revenue	4	1	1	—
ECL	(1)	(1)	(1)	—
Operating expenses	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	1	1	—
Operating expense significant items	—	(1)	(1)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

**HSBC**  
**US**

**HSBC US – Corporate Centre**

Revenue		(1)	(1)	(1)	—
ECL		—	—	—	—
Operating expenses		—	—	—	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		2	2	2	—
Operating expense significant items		—	(1)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—



## HSBC Latin America

### Latin America – Wealth and Personal Banking

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>497</b>	<b>483</b>	<b>431</b>	<b>426</b>	<b>450</b>	<b>1,796</b>
<i>of which: net interest income</i>	<i>369</i>	<i>340</i>	<i>320</i>	<i>329</i>	<i>326</i>	<i>1,346</i>
Change in expected credit losses and other credit impairment charges	(10)	(71)	(41)	(148)	(136)	(725)
Total operating expenses	(380)	(338)	(303)	(360)	(296)	(1,260)
<i>of which: staff expenses</i>	<i>(95)</i>	<i>(94)</i>	<i>(94)</i>	<i>(104)</i>	<i>(90)</i>	<i>(369)</i>
Share of profit in associates and joint ventures	12	2	2	3	1	6
<b>Profit/(loss) before tax</b>	<b>119</b>	<b>76</b>	<b>89</b>	<b>(79)</b>	<b>19</b>	<b>(183)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(4)	(3)	(1)	(22)	(12)	(35)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>497</b>	<b>481</b>	<b>431</b>	<b>425</b>	<b>468</b>	<b>1,796</b>
<i>of which: net interest income</i>	<i>369</i>	<i>338</i>	<i>321</i>	<i>325</i>	<i>339</i>	<i>1,346</i>
Change in expected credit losses and other credit impairment charges	(10)	(71)	(42)	(150)	(159)	(725)
Total operating expenses	(376)	(333)	(302)	(331)	(288)	(1,225)
Share of profit in associates and joint ventures	12	2	1	2	1	6
<b>Profit/(loss) before tax</b>	<b>123</b>	<b>79</b>	<b>88</b>	<b>(54)</b>	<b>22</b>	<b>(148)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	9,382	9,020	8,314	8,348	7,333	8,348
Loans and advances to customers (net)	8,750	8,299	7,562	7,507	6,592	7,507
Total external assets	17,319	17,049	15,947	15,703	14,579	15,703
Customer accounts	13,553	13,773	13,209	13,666	11,631	13,666
Risk-weighted assets	11,942	11,695	10,610	11,497	10,294	11,497
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	8,750	8,037	7,513	7,212	6,952	7,507
Customer accounts	13,553	13,350	13,078	13,045	12,012	13,666

# HSBC

## Latin America

### Latin America – Commercial Banking

Reported (\$m)	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>162</b>	<b>152</b>	<b>142</b>	<b>148</b>	<b>149</b>	<b>606</b>
<i>of which: net interest income</i>	<i>143</i>	<i>134</i>	<i>122</i>	<i>131</i>	<i>127</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	11	(14)	(4)	(116)	(42)	(282)
Total operating expenses	(114)	(91)	(84)	(97)	(82)	(345)
<i>of which: staff expenses</i>	<i>(22)</i>	<i>(22)</i>	<i>(22)</i>	<i>(20)</i>	<i>(18)</i>	<i>(77)</i>
Share of profit in associates and joint ventures	—	—	1	—	—	(1)
<b>Profit/(loss) before tax</b>	<b>59</b>	<b>47</b>	<b>55</b>	<b>(65)</b>	<b>25</b>	<b>(22)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(1)	—	(1)	—	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>162</b>	<b>151</b>	<b>140</b>	<b>140</b>	<b>144</b>	<b>606</b>
<i>of which: net interest income</i>	<i>143</i>	<i>132</i>	<i>119</i>	<i>122</i>	<i>121</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	11	(14)	(4)	(118)	(45)	(282)
Total operating expenses	(112)	(89)	(83)	(91)	(80)	(344)
Share of profit in associates and joint ventures	—	—	1	—	—	(1)
<b>Profit/(loss) before tax</b>	<b>61</b>	<b>48</b>	<b>54</b>	<b>(69)</b>	<b>19</b>	<b>(21)</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	7,421	7,450	6,879	6,940	6,451	6,940
Loans and advances to customers (net)	7,044	7,047	6,483	6,534	6,111	6,534
Total external assets	11,182	10,990	10,310	9,925	9,532	9,925
Customer accounts	8,783	8,550	7,878	8,212	7,779	8,212
Risk-weighted assets	10,532	10,427	9,607	10,008	9,390	10,008
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	7,044	6,838	6,436	6,255	6,337	6,534
Customer accounts	8,783	8,292	7,807	7,849	8,073	8,212

## HSBC Latin America

### Latin America – Global Banking and Markets

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>134</b>	<b>133</b>	<b>112</b>	<b>143</b>	<b>140</b>	<b>589</b>
<i>of which: net interest income</i>	<i>114</i>	<i>101</i>	<i>101</i>	<i>103</i>	<i>74</i>	<i>323</i>
Change in expected credit losses and other credit impairment charges	16	39	14	(10)	(15)	(113)
Total operating expenses	(67)	(64)	(61)	(73)	(54)	(243)
<i>of which: staff expenses</i>	<i>(12)</i>	<i>(12)</i>	<i>(15)</i>	<i>(19)</i>	<i>(10)</i>	<i>(57)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>83</b>	<b>108</b>	<b>65</b>	<b>60</b>	<b>71</b>	<b>233</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	—	(7)	(6)	—	2
ECL	—	—	—	—	—	—
Operating expenses	—	—	(1)	(6)	—	(6)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>133</b>	<b>132</b>	<b>119</b>	<b>141</b>	<b>137</b>	<b>587</b>
<i>of which: net interest income</i>	<i>114</i>	<i>99</i>	<i>101</i>	<i>95</i>	<i>70</i>	<i>323</i>
Change in expected credit losses and other credit impairment charges	16	39	14	(10)	(17)	(113)
Total operating expenses	(67)	(63)	(57)	(64)	(54)	(237)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>82</b>	<b>108</b>	<b>76</b>	<b>67</b>	<b>66</b>	<b>237</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	4,577	5,091	5,396	5,763	6,758	5,763
Loans and advances to customers (net)	4,499	5,005	5,265	5,618	6,630	5,618
Total external assets	16,899	18,219	17,694	20,991	19,163	20,991
Customer accounts	6,025	5,587	4,781	5,599	5,472	5,599
Risk-weighted assets	11,343	11,929	11,433	12,971	12,655	12,971
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	4,499	4,820	5,214	5,372	6,975	5,618
Customer accounts	6,025	5,358	4,632	5,205	5,429	5,599

## HSBC Latin America

### Latin America – Corporate Centre

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(16)</b>	<b>4</b>	<b>28</b>	<b>(20)</b>	<b>7</b>	<b>29</b>
<i>of which: net interest expense</i>	<i>(52)</i>	<i>(50)</i>	<i>(59)</i>	<i>(51)</i>	<i>(43)</i>	<i>(225)</i>
Change in expected credit losses and other credit impairment charges	—	4	1	—	—	(4)
Total operating expenses	<b>(24)</b>	<b>(36)</b>	<b>(34)</b>	<b>(52)</b>	<b>(14)</b>	<b>(90)</b>
<i>of which: staff expenses</i>	<i>(35)</i>	<i>(39)</i>	<i>(53)</i>	<i>(55)</i>	<i>(43)</i>	<i>(192)</i>
Share of profit in associates and joint ventures	—	—	(1)	(1)	—	—
<b>Profit/(loss) before tax</b>	<b>(40)</b>	<b>(28)</b>	<b>(6)</b>	<b>(73)</b>	<b>(7)</b>	<b>(65)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	(1)	(1)	—	—
ECL	—	—	—	—	—	—
Operating expenses	<b>(15)</b>	<b>(15)</b>	<b>(5)</b>	<b>(32)</b>	<b>(7)</b>	<b>(49)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(16)</b>	<b>4</b>	<b>28</b>	<b>(19)</b>	<b>7</b>	<b>29</b>
<i>of which: net interest expense</i>	<i>(52)</i>	<i>(50)</i>	<i>(59)</i>	<i>(51)</i>	<i>(46)</i>	<i>(225)</i>
Change in expected credit losses and other credit impairment charges	—	4	1	—	—	(4)
Total operating expenses	<b>(9)</b>	<b>(20)</b>	<b>(29)</b>	<b>(19)</b>	<b>(8)</b>	<b>(41)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(25)</b>	<b>(12)</b>	<b>—</b>	<b>(38)</b>	<b>(1)</b>	<b>(16)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>182</b>	<b>150</b>	<b>213</b>	<b>241</b>	<b>244</b>	<b>241</b>
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	<b>621</b>	<b>794</b>	<b>1,385</b>	<b>764</b>	<b>558</b>	<b>764</b>
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

## HSBC

### Latin America

#### SIGNIFICANT ITEMS

##### Latin America – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	(1)	(5)	(1)	3
Restructuring and other related costs	—	(1)	(5)	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(21)	(18)	(9)	(61)	(19)	(91)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### Latin America – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(3)	(1)	(22)	(12)	(35)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—



## HSBC

### Latin America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Latin America – Commercial Banking

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(1)	—	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Latin America – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	(1)	(6)	—	2
Restructuring and other related costs	—	—	(6)	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	(1)	(6)	—	(6)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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## HSBC

### Latin America

#### Latin America – Corporate Centre

##### Reported revenue significant items (\$m)

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

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(15)	(15)	(5)	(32)	(7)	(49)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Latin America – TOTAL

Revenue		(6)	—	(17)	9	
ECL		1	(1)	(2)	(30)	
Operating expenses		5	3	19	(3)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	(1)	1	
Operating expense significant items		(1)	1	4	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(656)	(146)	(819)	932	
Customer accounts		(908)	(349)	(1,379)	631	
Revenue		(2)	—	(1)	18	
ECL		—	(1)	(2)	(23)	
Operating expenses		3	1	11	(2)	
Share of profit in associates and joint ventures		—	(1)	(1)	—	
Revenue significant items		—	—	—	—	
Operating expense significant items		1	1	4	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(262)	(49)	(295)	360	
Customer accounts		(423)	(131)	(621)	381	

## HSBC

### Latin America

#### Latin America – Commercial Banking

Revenue	(1)	(2)	(8)	(5)
ECL	—	—	(2)	(3)
Operating expenses	1	1	5	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(209)	(47)	(279)	226
Customer accounts	(258)	(71)	(363)	294

#### Latin America – Global Banking and Markets

Revenue	(2)	—	(8)	(3)
ECL	—	—	—	(2)
Operating expenses	1	2	3	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	—	—
Operating expense significant items	—	(1)	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(185)	(51)	(246)	345
Customer accounts	(229)	(149)	(394)	(43)

#### Latin America – Corporate Centre

Revenue	—	—	1	—
ECL	—	—	—	—
Operating expenses	—	(2)	—	(1)
Share of profit in associates and joint ventures	—	1	1	—
Revenue significant items	—	1	1	—
Operating expense significant items	(1)	(2)	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

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 \$36m, comprising a decrease in revenue of \$23m and an increase in operating expenses of \$13m.

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

**HSBC**  
**Mexico**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Mexico – TOTAL</b>						
<b>Reported (\$m)</b>						
Net interest income	395	376	364	357	341	1,387
Net fee income	104	98	102	99	93	381
Other operating income	107	119	90	100	105	466
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>606</b>	<b>593</b>	<b>556</b>	<b>556</b>	<b>539</b>	<b>2,234</b>
Change in expected credit losses and other credit impairment charges	(12)	(33)	(35)	(256)	(220)	(1,050)
Total operating expenses	(428)	(381)	(344)	(412)	(317)	(1,376)
<i>of which: staff expenses</i>	<i>(122)</i>	<i>(125)</i>	<i>(118)</i>	<i>(137)</i>	<i>(110)</i>	<i>(482)</i>
Share of profit in associates and joint ventures	12	2	2	2	1	5
<b>Profit/(loss) before tax</b>	<b>178</b>	<b>181</b>	<b>179</b>	<b>(110)</b>	<b>3</b>	<b>(187)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	—	(16)	7	—	13
ECL	—	—	—	—	—	—
Operating expenses	(14)	(12)	2	(34)	(6)	(42)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>605</b>	<b>593</b>	<b>581</b>	<b>564</b>	<b>595</b>	<b>2,221</b>
<i>of which: net interest income</i>	<i>395</i>	<i>376</i>	<i>369</i>	<i>366</i>	<i>377</i>	<i>1,387</i>
Change in expected credit losses and other credit impairment charges	(12)	(33)	(36)	(263)	(243)	(1,050)
Total operating expenses	(414)	(367)	(352)	(388)	(343)	(1,334)
Share of profit in associates and joint ventures	12	2	2	2	1	5
<b>Profit/(loss) before tax</b>	<b>191</b>	<b>195</b>	<b>195</b>	<b>(85)</b>	<b>10</b>	<b>(158)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	18,443	18,918	18,094	18,580	17,926	18,580
Loans and advances to customers (net)	17,439	17,793	16,906	17,296	16,870	17,296
Total external assets	35,074	36,544	34,730	36,798	33,605	36,798
Customer accounts	22,497	22,516	20,930	22,220	19,530	22,220
Risk-weighted assets	23,695	25,630	24,693	26,323	24,387	26,323
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	17,439	17,207	16,838	16,713	18,139	17,296
Customer accounts	22,497	21,775	20,846	21,471	20,999	22,220

**HSBC**  
**Mexico**

**Mexico – Wealth and Personal Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>416</b>	<b>416</b>	<b>364</b>	<b>378</b>	<b>373</b>	<b>1,522</b>
<i>of which: net interest income</i>	<i>303</i>	<i>285</i>	<i>273</i>	<i>277</i>	<i>270</i>	<i>1,112</i>
Change in expected credit losses and other credit impairment charges	(26)	(62)	(41)	(140)	(166)	(688)
Total operating expenses	(298)	(265)	(236)	(275)	(220)	(955)
<i>of which: staff expenses</i>	<i>(71)</i>	<i>(72)</i>	<i>(70)</i>	<i>(65)</i>	<i>(58)</i>	<i>(247)</i>
Share of profit in associates and joint ventures	12	2	2	3	1	6
<b>Profit/(loss) before tax</b>	<b>104</b>	<b>91</b>	<b>89</b>	<b>(34)</b>	<b>(12)</b>	<b>(115)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(3)	(2)	—	(5)	—	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>416</b>	<b>416</b>	<b>370</b>	<b>388</b>	<b>411</b>	<b>1,522</b>
<i>of which: net interest income</i>	<i>303</i>	<i>284</i>	<i>277</i>	<i>284</i>	<i>298</i>	<i>1,112</i>
Change in expected credit losses and other credit impairment charges	(26)	(62)	(41)	(143)	(183)	(688)
Total operating expenses	(295)	(264)	(241)	(278)	(243)	(950)
Share of profit in associates and joint ventures	12	2	1	2	1	6
<b>Profit/(loss) before tax</b>	<b>107</b>	<b>92</b>	<b>89</b>	<b>(31)</b>	<b>(14)</b>	<b>(110)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	8,616	8,334	7,659	7,674	6,688	7,674
Loans and advances to customers (net)	8,016	7,648	6,940	6,871	5,983	6,871
Total external assets	14,200	14,159	13,204	12,765	11,577	12,765
Customer accounts	11,444	11,661	11,138	11,651	9,584	11,651
Risk-weighted assets	9,007	9,312	8,706	9,177	7,979	9,177
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	8,016	7,396	6,912	6,639	6,433	6,871
Customer accounts	11,444	11,277	11,093	11,258	10,305	11,651

**HSBC**  
**Mexico**

**Mexico – Commercial Banking**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>103</b>	<b>99</b>	<b>98</b>	<b>96</b>	<b>92</b>	<b>374</b>
<i>of which: net interest income</i>	<i>82</i>	<i>79</i>	<i>73</i>	<i>76</i>	<i>73</i>	<i>301</i>
Change in expected credit losses and other credit impairment charges	7	(11)	(7)	(109)	(39)	(261)
Total operating expenses	(75)	(56)	(50)	(62)	(53)	(219)
<i>of which: staff expenses</i>	<i>(12)</i>	<i>(14)</i>	<i>(13)</i>	<i>(13)</i>	<i>(11)</i>	<i>(47)</i>
Share of profit in associates and joint ventures	—	—	1	—	—	(1)
<b>Profit/(loss) before tax</b>	<b>35</b>	<b>32</b>	<b>42</b>	<b>(75)</b>	<b>—</b>	<b>(107)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(2)	(1)	(1)	—	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>103</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>102</b>	<b>374</b>
<i>of which: net interest income</i>	<i>82</i>	<i>79</i>	<i>74</i>	<i>78</i>	<i>80</i>	<i>301</i>
Change in expected credit losses and other credit impairment charges	7	(11)	(7)	(112)	(43)	(261)
Total operating expenses	(73)	(55)	(52)	(64)	(58)	(218)
Share of profit/(loss) in associates and joint ventures	—	—	1	—	—	(1)
<b>Profit/(loss) before tax</b>	<b>37</b>	<b>33</b>	<b>41</b>	<b>(77)</b>	<b>1</b>	<b>(106)</b>
	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	6,043	6,192	5,695	5,793	5,240	5,793
Loans and advances to customers (net)	5,703	5,826	5,335	5,436	4,994	5,436
Total external assets	8,696	8,666	8,096	7,803	7,267	7,803
Customer accounts	7,376	7,221	6,579	6,916	6,464	6,916
Risk-weighted assets	7,439	7,744	7,219	7,539	6,891	7,539
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	5,703	5,634	5,314	5,252	5,370	5,436
Customer accounts	7,376	6,983	6,552	6,683	6,950	6,916

**HSBC**  
**Mexico**

**Mexico – Global Banking and Markets**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>71</b>	<b>73</b>	<b>76</b>	<b>82</b>	<b>77</b>	<b>296</b>
<i>of which: net interest income</i>	<i>53</i>	<i>55</i>	<i>68</i>	<i>49</i>	<i>39</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	7	40	12	(8)	(16)	(102)
Total operating expenses	(36)	(35)	(32)	(42)	(30)	(135)
<i>of which: staff expenses</i>	<i>(5)</i>	<i>(5)</i>	<i>(6)</i>	<i>(11)</i>	<i>(4)</i>	<i>(28)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>42</b>	<b>78</b>	<b>56</b>	<b>32</b>	<b>31</b>	<b>59</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	—	(7)	(2)	—	3
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	(5)	—	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>70</b>	<b>73</b>	<b>83</b>	<b>86</b>	<b>85</b>	<b>293</b>
<i>of which: net interest income</i>	<i>53</i>	<i>55</i>	<i>69</i>	<i>50</i>	<i>43</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	7	40	13	(8)	(17)	(102)
Total operating expenses	(36)	(35)	(32)	(38)	(33)	(130)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>41</b>	<b>78</b>	<b>64</b>	<b>40</b>	<b>35</b>	<b>61</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>31-Dec-20</b>
Loans and advances to customers (gross)	3,784	4,391	4,741	5,112	5,997	5,112
Loans and advances to customers (net)	3,720	4,319	4,632	4,990	5,893	4,990
Total external assets	12,062	13,636	13,316	16,079	14,609	16,079
Customer accounts	3,677	3,635	3,214	3,653	3,482	3,653
Risk-weighted assets	7,158	8,291	8,312	9,412	9,357	9,412
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	3,720	4,177	4,613	4,822	6,336	4,990
Customer accounts	3,677	3,516	3,201	3,529	3,744	3,653

**HSBC**  
**Mexico**

**Mexico – Corporate Centre**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>17</b>	5	18	—	(3)	<b>43</b>
<i>of which: net interest expense</i>	<i>(42)</i>	<i>(42)</i>	<i>(50)</i>	<i>(45)</i>	<i>(41)</i>	<i>(173)</i>
Change in expected credit losses and other credit impairment charges	—	—	(1)	(1)	1	—
Total operating expenses	<b>(19)</b>	(24)	(25)	(33)	(14)	(68)
<i>of which: staff expenses</i>	<i>(34)</i>	<i>(34)</i>	<i>(27)</i>	<i>(48)</i>	<i>(37)</i>	<i>(160)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(2)</b>	<b>(19)</b>	<b>(8)</b>	<b>(34)</b>	<b>(16)</b>	<b>(25)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	(1)	(10)	8	—	9
ECL	—	—	—	—	—	—
Operating expenses	<b>(9)</b>	(9)	4	(22)	(6)	(30)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>17</b>	<b>5</b>	<b>28</b>	<b>(8)</b>	<b>(3)</b>	<b>34</b>
<i>of which: net interest expense</i>	<i>(42)</i>	<i>(42)</i>	<i>(52)</i>	<i>(47)</i>	<i>(45)</i>	<i>(173)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(10)</b>	(13)	(26)	(9)	(9)	(38)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>7</b>	<b>(8)</b>	<b>2</b>	<b>(17)</b>	<b>(12)</b>	<b>(4)</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	1	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>116</b>	83	114	150	152	150
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	<b>91</b>	283	456	195	160	195
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—



**HSBC**  
**Mexico**

**SIGNIFICANT ITEMS**

	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
<b>Mexico – TOTAL</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	(1)	(5)	—	1
Restructuring and other related costs	—	—	(15)	12	—	12
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(14)	(12)	2	(34)	(6)	(42)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—
<b>Share of profit in associates and joint ventures significant items (\$m)</b>						
Impairment of goodwill	—	—	—	—	—	—
<b>Mexico – Wealth and Personal Banking</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(2)	—	(5)	—	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Mexico

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Commercial Banking

#### Reported revenue significant items (\$m)

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

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(2)	(1)	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	(1)	(5)	—	—
Restructuring and other related costs	—	—	(6)	3	—	3

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	(5)	—	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Mexico

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	(1)	(1)	(1)	—	—
Restructuring and other related costs	—	—	(9)	9	—	9

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(9)	4	(22)	(6)	(30)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Mexico – TOTAL

Revenue	—	9	15	56
ECL	—	(1)	(7)	(23)
Operating expenses	1	(6)	(11)	(32)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(1)	—	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(586)	(68)	(583)	1,269
Customer accounts	(741)	(84)	(749)	1,469

## HSBC Mexico

### Mexico – Wealth and Personal Banking

Revenue	—	6	10	38
ECL	—	—	(3)	(17)
Operating expenses	—	(5)	(8)	(23)
Share of profit in associates and joint ventures	—	(1)	(1)	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(252)	(28)	(232)	450
Customer accounts	(384)	(45)	(393)	721

### Mexico – Commercial Banking

Revenue	—	1	3	10
ECL	—	—	(3)	(4)
Operating expenses	—	(2)	(2)	(5)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(192)	(21)	(184)	376
Customer accounts	(238)	(27)	(233)	486

### Mexico – Global Banking and Markets

Revenue	—	1	2	8
ECL	—	1	—	(1)
Operating expenses	—	—	(1)	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	1	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(142)	(19)	(168)	443
Customer accounts	(119)	(13)	(124)	262

**HSBC**  
**Mexico**

**Mexico – Corporate Centre**

Revenue		—	1	1	—
ECL		—	1	1	(1)
Operating expenses		—	1	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		1	1	1	—
Operating expense significant items		(2)	(2)	(2)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 30 September 2021

	Gross carrying/nominal amount <sup>1</sup>					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers at amortised cost	883,967	148,452	18,558	209	1,051,186	(1,410)	(3,126)	(6,898)	(75)	(11,509)	0.2%	2.1%	37.2%	35.9%	1.1%
– personal	449,422	17,483	5,173	—	472,078	(598)	(1,423)	(1,314)	—	(3,335)	0.1%	8.1%	25.4%	—	0.7%
– corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)	0.2%	1.3%	42.7%	35.9%	1.6%
– non-bank financial institutions	58,516	6,319	420	—	65,255	(34)	(56)	(42)	—	(132)	0.1%	0.9%	10.0%	—	0.2%
Loans and advances to banks at amortised cost	94,540	1,448	—	—	95,988	(9)	(5)	—	—	(14)	—	0.3%	—	—	—
Other financial assets measured at amortised cost	878,031	6,571	311	42	884,955	(133)	(132)	(57)	(6)	(328)	—	2.0%	18.3%	14.3%	—
Loans and other credit-related commitments	612,789	39,209	768	1	652,767	(156)	(176)	(57)	—	(389)	—	0.4%	7.4%	—	0.1%
– personal	236,203	1,677	156	—	238,036	(20)	(1)	—	—	(21)	—	0.1%	—	—	—
– corporate and commercial	246,578	34,420	610	1	281,609	(121)	(168)	(57)	—	(346)	—	0.5%	9.3%	—	0.1%
– financial	130,008	3,112	2	—	133,122	(15)	(7)	—	—	(22)	—	0.2%	—	—	—
Financial guarantees	23,759	3,285	259	1	27,304	(13)	(27)	(31)	—	(71)	—	0.8%	12.0%	—	0.3%
– personal	836	15	1	—	852	—	—	—	—	—	—	—	—	—	—
– corporate and commercial	19,436	2,572	243	1	22,252	(11)	(26)	(30)	—	(67)	0.1%	1.0%	12.3%	—	0.3%
– financial	3,487	698	15	—	4,200	(2)	(1)	(1)	—	(4)	0.1%	0.1%	6.7%	—	0.1%
<b>At 30 Sep 2021</b>	<b>2,493,086</b>	<b>198,965</b>	<b>19,896</b>	<b>253</b>	<b>2,712,200</b>	<b>(1,721)</b>	<b>(3,466)</b>	<b>(7,043)</b>	<b>(81)</b>	<b>(12,311)</b>	<b>0.1%</b>	<b>1.7%</b>	<b>35.4%</b>	<b>32.0%</b>	<b>0.5%</b>

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

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

Stage 2 days past due analysis at 30 September 2021

	Gross carrying amount				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%
Loans and advances to customers at amortised cost	148,452	145,122	2,038	1,292	(3,126)	(2,727)	(196)	(203)	2.1%	1.9%	9.6%	15.7%
– personal	17,483	15,392	1,280	811	(1,423)	(1,070)	(170)	(183)	8.1%	7.0%	13.3%	22.6%
– corporate and commercial	124,650	123,503	674	473	(1,647)	(1,602)	(25)	(20)	1.3%	1.3%	3.7%	4.2%
– non-bank financial institutions	6,319	6,227	84	8	(56)	(55)	(1)	—	0.9%	0.9%	1.2%	—
Loans and advances to banks at amortised cost	1,448	1,448	—	—	(5)	(5)	—	—	0.3%	0.3%	—	—
Other financial assets measured at amortised cost	6,571	6,495	36	40	(132)	(111)	(12)	(9)	2.0%	1.7%	33.3%	22.5%

1 Days past due ('DPD').

2 The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.

Total personal lending for loans and advances to customers by stage distribution

By portfolio	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
First lien residential mortgages	353,030	8,575	3,189	364,794	(97)	(137)	(456)	(690)
– of which:								
interest only (including offset)	28,262	2,006	261	30,529	(5)	(23)	(77)	(105)
affordability (including US adjustable rate mortgages)	13,348	932	469	14,749	(9)	(5)	(6)	(20)
Other personal lending	96,392	8,908	1,984	107,284	(501)	(1,286)	(858)	(2,645)
– other	77,616	4,487	1,551	83,654	(279)	(522)	(590)	(1,391)
– credit cards	17,058	4,188	390	21,636	(214)	(752)	(254)	(1,220)
– second lien residential mortgages	323	45	38	406	(1)	(4)	(9)	(14)
– motor vehicle finance	1,395	188	5	1,588	(7)	(8)	(5)	(20)
<b>At 30 Sep 2021</b>	<b>449,422</b>	<b>17,483</b>	<b>5,173</b>	<b>472,078</b>	<b>(598)</b>	<b>(1,423)</b>	<b>(1,314)</b>	<b>(3,335)</b>
<b>By geography</b>								
Europe	208,721	6,097	2,262	217,080	(199)	(718)	(671)	(1,588)
– of which: UK	172,344	5,522	1,537	179,403	(175)	(686)	(423)	(1,284)
Asia	184,553	8,445	1,361	194,359	(154)	(378)	(249)	(781)
– of which: Hong Kong	125,133	4,995	192	130,320	(66)	(230)	(43)	(339)
MENA	4,961	273	208	5,442	(43)	(45)	(125)	(213)
North America	43,196	1,984	1,032	46,212	(28)	(64)	(114)	(206)
Latin America	7,991	684	310	8,985	(174)	(218)	(155)	(547)
<b>At 30 Sep 2021</b>	<b>449,422</b>	<b>17,483</b>	<b>5,173</b>	<b>472,078</b>	<b>(598)</b>	<b>(1,423)</b>	<b>(1,314)</b>	<b>(3,335)</b>

**HSBC**  
**Credit risk**

**Total wholesale lending for loans and advances to banks and customers by stage distribution**

	Gross carrying amount					Allowance for ECL				
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m
Corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)
– agriculture, forestry and fishing	6,659	867	377	1	7,904	(10)	(23)	(103)	(1)	(137)
– mining and quarrying	7,499	2,632	506	16	10,653	(15)	(55)	(161)	(12)	(243)
– manufacturing	68,012	22,856	1,997	74	92,939	(127)	(264)	(909)	(35)	(1,335)
– electricity, gas, steam and air-conditioning supply	12,661	2,289	64	–	15,014	(13)	(20)	(23)	–	(56)
– water supply, sewerage, waste management and remediation	3,116	429	48	–	3,593	(4)	(5)	(24)	–	(33)
– construction	9,250	4,494	752	1	14,497	(29)	(47)	(422)	(1)	(499)
– wholesale and retail trade, repair of motor vehicles and motorcycles	72,822	21,028	2,957	8	96,815	(105)	(202)	(1,953)	(1)	(2,261)
– transportation and storage	20,086	8,253	706	10	29,055	(53)	(119)	(230)	–	(402)
– accommodation and food	7,399	15,224	1,019	1	23,643	(80)	(297)	(122)	(1)	(500)
– publishing, audiovisual and broadcasting	17,231	2,618	190	26	20,065	(39)	(34)	(40)	(5)	(118)
– real estate	93,129	25,407	1,934	1	120,471	(163)	(286)	(697)	–	(1,146)
– professional, scientific and technical activities	14,753	4,451	701	32	19,937	(25)	(47)	(170)	(7)	(249)
– administrative and support services	18,759	7,725	838	39	27,361	(25)	(87)	(337)	(12)	(461)
– public administration and defence, compulsory social security	1,242	375	–	–	1,617	(7)	(3)	–	–	(10)
– education	1,477	455	34	–	1,966	(5)	(8)	(6)	–	(19)
– health and care	4,077	1,032	166	–	5,275	(10)	(24)	(40)	–	(74)
– arts, entertainment and recreation	729	1,856	227	–	2,812	(8)	(51)	(55)	–	(114)
– other services	9,453	1,832	448	–	11,733	(58)	(55)	(249)	–	(362)
– activities of households	728	114	–	–	842	–	–	–	–	–
– extra-territorial organisations and bodies activities	16	–	–	–	16	–	–	–	–	–
– government	6,596	699	1	–	7,296	(2)	(10)	(1)	–	(13)
– asset-backed securities	335	14	–	–	349	–	(10)	–	–	(10)
Non-bank financial institutions	58,516	6,319	420	–	65,255	(34)	(56)	(42)	–	(132)
Loans and advances to banks	94,540	1,448	–	–	95,988	(9)	(5)	–	–	(14)
<b>At 30 Sep 2021</b>	<b>529,085</b>	<b>132,417</b>	<b>13,385</b>	<b>209</b>	<b>675,096</b>	<b>(821)</b>	<b>(1,708)</b>	<b>(5,584)</b>	<b>(75)</b>	<b>(8,188)</b>
<b>By geography</b>										
Europe	148,908	42,927	6,643	74	198,552	(403)	(805)	(1,805)	(18)	(3,031)
– of which: UK	100,639	34,394	4,837	26	139,896	(357)	(663)	(1,052)	(5)	(2,077)
Asia	289,851	71,168	3,617	90	364,726	(212)	(472)	(2,190)	(45)	(2,919)
– of which: Hong Kong	163,641	45,664	1,675	40	211,020	(135)	(278)	(745)	(22)	(1,180)
MENA	24,505	5,661	1,679	22	31,867	(79)	(108)	(1,042)	(11)	(1,240)
North America	54,349	9,873	681	–	64,903	(54)	(206)	(201)	–	(461)
Latin America	11,472	2,788	765	23	15,048	(73)	(117)	(346)	(1)	(537)
<b>At 30 Sep 2021</b>	<b>529,085</b>	<b>132,417</b>	<b>13,385</b>	<b>209</b>	<b>675,096</b>	<b>(821)</b>	<b>(1,708)</b>	<b>(5,584)</b>	<b>(75)</b>	<b>(8,188)</b>
<b>Corporate and commercial</b>										
Europe	118,784	41,406	6,301	75	166,566	(389)	(764)	(1,784)	(18)	(2,955)
– of which: UK	84,344	33,473	4,504	26	122,347	(346)	(636)	(1,030)	(5)	(2,017)
Asia	191,235	66,474	3,598	89	261,396	(189)	(459)	(2,182)	(44)	(2,874)
– of which: Hong Kong	118,904	43,020	1,676	40	163,640	(129)	(278)	(747)	(22)	(1,176)
MENA	15,523	5,533	1,667	22	22,745	(75)	(109)	(1,039)	(12)	(1,235)
North America	41,299	9,537	632	–	51,468	(52)	(200)	(190)	–	(442)
Latin America	9,188	1,700	767	23	11,678	(73)	(115)	(347)	(1)	(536)
<b>At 30 Sep 2021</b>	<b>376,029</b>	<b>124,650</b>	<b>12,965</b>	<b>209</b>	<b>513,853</b>	<b>(778)</b>	<b>(1,647)</b>	<b>(5,542)</b>	<b>(75)</b>	<b>(8,042)</b>

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